



3 1761 11652413 3



ENVIRONMENTAL ASSESSMENT BOARD

VOLUME: 188

DATE: Tuesday, April 3rd, 1990

BEFORE: A. KOVEN, Chairman

E. MARTEL, Member



FOR HEARING UPDATES CALL (TOLL-FREE): 1-800-387-8810

FARR &
ASSOCIATES
REPORTING INC.

(416) 482-3277

2300 Yonge St., Suite 709, Toronto, Canada M4P 1E4



ENVIRONMENTAL ASSESSMENT BOARD

VOLUME: 188

DATE: Tuesday, April 3rd, 1990

BEFORE: A. KOVEN, Chairman

E. MARTEL, Member



FOR HEARING UPDATES CALL (TOLL-FREE): 1-800-387-8810

FARR &
ASSOCIATES
REPORTING INC.

(416) **482-3277**

2300 Yonge St., Suite 709, Toronto, Canada M4P 1E4

HEARING ON THE PROPOSAL BY THE MINISTRY OF NATURAL
RESOURCES FOR A CLASS ENVIRONMENTAL ASSESSMENT FOR
TIMBER MANAGEMENT ON CROWN LANDS IN ONTARIO

IN THE MATTER of the Environmental
Assessment Act, R.S.O. 1980, c.140;

- and -

IN THE MATTER of the Class Environmental
Assessment for Timber Management on Crown
Lands in Ontario;

- and -

IN THE MATTER OF a Notice by the
Honourable Jim Bradley, Minister of the
Environment, requiring the Environmental
Assessment Board to hold a hearing with
respect to a Class Environmental
Assessment (No. NR-AA-30) of an
undertaking by the Ministry of Natural
Resources for the activity of timber
management on Crown Lands in Ontario.

Hearing held at the Ramada Prince
Arthur Hotel, 17 N. Cumberland Street,
Thunder Bay, Ontario on Tuesday,
April 3rd, 1990, commencing at 8:30 a.m.

VOLUME 188


BEFORE:

MRS. ANNE KOVEN
MR. ELIE MARTEL

Chairman
Member

A P P E A R A N C E S

MR. V. FREIDIN, Q.C.)	
MS. C. BLASTORAH)	MINISTRY OF NATURAL
MS. K. MURPHY)	RESOURCES
MS. Y. HERSCHER)	
MR. B. CAMPBELL)	
MS. J. SEABORN)	MINISTRY OF ENVIRONMENT
MS. B. HARVIE)	
MR. R. TUER, Q.C.)	ONTARIO FOREST INDUSTRIES
MR. R. COSMAN)	ASSOCIATION and ONTARIO
MS. E. CRONK)	LUMBER MANUFACTURERS'
MR. P.R. CASSIDY)	ASSOCIATION
MR. H. TURKSTRA	ENVIRONMENTAL ASSESSMENT
	BOARD
MR. E. HANNA)	ONTARIO FEDERATION OF
DR. T. QUINNEY)	ANGLERS & HUNTERS
MR. D. HUNTER)	NISHNAWBE-ASKI NATION
MS. N. KLEER)	and WINDIGO TRIBAL COUNCIL
MR. J.F. CASTRILLI)	
MS. M. SWENARCHUK)	FORESTS FOR TOMORROW
MR. R. LINDGREN)	
MR. P. SANFORD)	KIMBERLY-CLARK OF CANADA
MS. L. NICHOLLS)	LIMITED and SPRUCE FALLS
MR. D. WOOD)	POWER & PAPER COMPANY
MR. D. MacDONALD	ONTARIO FEDERATION OF
	LABOUR
MR. R. COTTON	BOISE CASCADE OF CANADA
	LTD.
MR. Y. GERVAIS)	ONTARIO TRAPPERS
MR. R. BARNES)	ASSOCIATION
MR. R. EDWARDS)	NORTHERN ONTARIO TOURIST
MR. B. McKERCHER)	OUTFITTERS ASSOCIATION



Digitized by the Internet Archive
in 2023 with funding from
University of Toronto

<https://archive.org/details/31761116524133>

APPEARANCES: (Cont'd)

MR. L. GREENSPOON)	NORTHWATCH
MS. B. LLOYD)	
MR. J.W. ERICKSON, Q.C.)	RED LAKE-EAR FALLS JOINT
MR. B. BABCOCK)	MUNICIPAL COMMITTEE
MR. D. SCOTT)	NORTHWESTERN ONTARIO
MR. J.S. TAYLOR)	ASSOCIATED CHAMBERS OF COMMERCE
MR. J.W. HARBELL)	GREAT LAKES FOREST
MR. S.M. MAKUCH)	
MR. J. EBBS	ONTARIO PROFESSIONAL FORESTERS ASSOCIATION
MR. D. KING	VENTURE TOURISM ASSOCIATION OF ONTARIO
MR. D. COLBORNE)	GRAND COUNCIL TREATY #3
MS. S.V. BAIR-MUIRHEAD)	
MR. R. REILLY	ONTARIO METIS & ABORIGINAL ASSOCIATION
MR. H. GRAHAM	CANADIAN INSTITUTE OF FORESTRY (CENTRAL ONTARIO SECTION)
MR. G.J. KINLIN	DEPARTMENT OF JUSTICE
MR. S.J. STEPINAC	MINISTRY OF NORTHERN DEVELOPMENT & MINES
MR. M. COATES	ONTARIO FORESTRY ASSOCIATION
MR. P. ODORIZZI	BEARDMORE-LAKE NIPIGON WATCHDOG SOCIETY

APPEARANCES: (Cont'd)

MR. R.L. AXFORD	CANADIAN ASSOCIATION OF SINGLE INDUSTRY TOWNS
MR. M.O. EDWARDS	FORT FRANCES CHAMBER OF COMMERCE
MR. P.D. McCUTCHEON	GEORGE NIXON
MR. C. BRUNETTA	NORTHWESTERN ONTARIO TOURISM ASSOCIATION

(iv)

I N D E X O F P R O C E E D I N G S

<u>Witness:</u>	<u>Page No.</u>
<u>MURRAY ATKINSON</u> , Sworn	
<u>RONALD MAGEE</u> ,	
<u>NICKOLAS SALTARELLI</u> ,	
<u>DOUGLAS PRYKE</u> ,	
<u>SANDRA IMADA</u> , Affirmed	32901
Direct Examination by Mr. Cassidy	32902
Cross-Examination by Mr. Lindgren	33036
Satellite Hearing	33168

I N D E X O F E X H I B I T S

<u>Exhibit No.</u>	<u>Description</u>	<u>Page No.</u>
1072	Statement of Evidence, OFIA/OLMA Panel 3.	32896
1073	Package of Interrogatory Nos: NAN No. 1, MNR No. 2, MOE No. 2, MNR No. 1, MOE No. 3, MOE No. 6, FFT No. 7, MOE No. 8, MNR No. 6, FFT No. 7 and MOE No. 9.	32897
1074	Errata letter dated February 14, 1990 to all full-time parties from P. Cassidy re: Panel No.3.	32898
1075	Letter dated March 12, 1990 to all full-time parties from P. Cassidy, re: Panel No. 3.	32898
1076A	Hard copy of overhead entitled: The OWOSFOP Forest.	32930
1076B	Hard copy of overhead entitled: Bullet Points, Basic Description of OWOSFOP.	32931
1076C	Hard copy of overhead entitled: The FORMAN Forest.	32933
1076D	Hard copy of overhead entitled: Bullet Points FORMAN/NORMAN Model, Brief Description.	32935
1076E	Hard copy of overhead entitled: The HSG Forest.	32937
1076F	Hard copy of overhead entitled: Bullet Points, Harvest Schedule Generator, a Brief Description.	32939
1076G	Hard copy of overhead entitled: Relative Size of Datasets.	32942

Index of Exhibits (Cont'd)

<u>Exhibit No.</u>	<u>Description</u>	<u>Page No.</u>
1077	Bag containing pulp chips.	32957
1078	Bag containing sawdust and shavings.	32958
1079	Bag containing bark.	32959
1080	Sample of waferboard.	32977
1081	Sample of plywood.	32978
1082	Sample of particleboard.	32979
1083	Sample of strand board.	32979
1084	Sample of inch and a half waferboard.	32986
1085	Sample of two-inch waferboard.	32988
1086	Sample of strands.	32988
1087	Sample of fines.	32988
1088	Map of the area of the undertaking describing Grant Forest Products Woodsheds.	32991
1089	Hard copy of slide depicting various types of wood.	33003
1090	Hard copy of slide depicting papermaking fibers from hardwoods and softwoods.	33010
1091	Hard copy of slide depicting property differences between spruce and pine.	33016
1092	Hard copy of slide depicting indications of species differences for processing.	33017

(vii)

Index of Exhibits (Cont'd)

<u>Exhibit No.</u>	<u>Description</u>	<u>Page No.</u>
1093	Replacement of Figure 1 on page 75 of Exhibit 1072.	33035
1094	FFT Interrogatory Question Nos. 1-9 (Panel 3).	33036

1 ---Upon commencing at 8:30 a.m.

2 MADAM CHAIR: Good morning. Please be
3 seated.

4 MR. CASSIDY: Good morning, Madam Chair.

5 MADAM CHAIR: Good morning, Mr. Cassidy.

6 MR. CASSIDY: Madam Chair, before we
7 commence this panel there are a number of exhibits
8 which the witnesses will be referring to and for
9 convenience sake it might be appropriate to file them
10 now, by the way, a collection of interrogatories.

11 There will be other exhibits filed during
12 the course of the evidence, but I thought for
13 convenience, rather than walk around eleven times to
14 file this collection at one, I propose to do that now.

15 I also propose to file as an exhibit a
16 copy of the third OFIA/OLMA witness panel, the Wood
17 Supply Panel.

18 MADAM CHAIR: All right. Exhibit 1072 is
19 OFIA/OLMA Statement of Evidence, Panel 3, Wood Supply.

20 ---EXHIBIT NO. 1072: Statement of Evidence, OFIA/OLMA
21 Panel 3.

22 MR. CASSIDY: If we could mark Exhibit
23 1073 as a collection of interrogatories, Madam Chair,
24 for OFIA/OLMA Panel 3 and I will just complete
25 circulating the copies I have to the parties and then I

1 can list off the interrogatories that are contained in
2 this collection.

3 MR. MARTEL: Mr. Cassidy, could I have an
4 extra copy?

5 MR. CASSIDY: (handed)

6 MR. MARTEL: Thank you.

7 MR. CASSIDY: Madam Chair, the
8 interrogatories contained in this collection now marked
9 Exhibit 1073 consists of Interrogatory No. 1 from NAN,
10 Nishnawbe-Aski Nation, No. 2 from MNR, No. 2 from MOE,
11 No. 1 from MNR, No. 3 from MOE, No. 6 from MOE No. 7
12 from Forests for Tomorrow, No. 8 from MOE, No. 6 from
13 MNR, No. 1 from Forests for Tomorrow and No. 9 from
14 MOE.

15 And I have read those in the order in
16 which they appear in this collection and, for the
17 benefit of the Board, there are page numbers attached
18 to the upper right-hand corner of each page of this
19 collection and during the course of the evidence we
20 will endeavor to point you to the appropriate page in
21 the course of the presentation of the evidence.

22 ---EXHIBIT NO. 1073: Package of Interrogatory Nos:
23 NAN No. 1, MNR No. 2, MOE No. 2,
24 MNR No. 1, MOE No. 3, MOE No. 6,
FFT No. 7, MOE No. 8, MNR No. 6,
FFT No. 1 and MOE No. 9.

25 MR. CASSIDY: The next materials that I

1 would like to file, Madam Chair, are two letters in
2 respect of the wood supply panel. The first is a
3 letter marked -- I am sorry, dated February 14th, 1990
4 from myself to all full-time parties as of the parties
5 list dated January 19th, 1990, and it is an errata
6 letter which makes some minor changes to some numerical
7 reference in the wood supply panel, specifically on
8 pages 82 and 86.

9 And if we could so mark that letter as
10 Exhibit 1074, Madam Chair.

11 ---EXHIBIT NO. 1074: Errata letter dated February 14,
12 1990 to all full-time parties
from P. Cassidy re: Panel No.3.

13 MR. CASSIDY: The second letter is a
14 letter dated March 12, 1990 from myself to all
15 full-time parties as of the parties list dated January
16 19th, 1990 and this letter attaches a copy of the graph
17 referred to at page 262 of the wood supply panel, Panel
18 No. 3.

19 And, Madam Chair, I ask that that be
20 marked as Exhibit 1075 and I will now circulate copies.
21 (handed)

22 ---EXHIBIT NO. 1075: Letter dated March 12, 1990 to
23 all full-time parties from P.
Cassidy re: Panel No. 3.

24 MR. CASSIDY: Madam Chair, prior to
25 qualifying the witnesses and having them sworn in, I

1 would like to make a few opening remarks in respect of
2 this panel, very briefly.

3 There will be essentially two parts to
4 this panel or two segments of evidence, Madam Chair.
5 Mr. Saltarelli, who is seated in the middle of this
6 panel, will give evidence in respect of Sections 1
7 through 6 of the witness statement dealing with what I
8 might term wood supply issues at large, and the second
9 part of the evidence consists of evidence from Mr.
10 Atkinson who is on your far left; Mr. Magee who is
11 seated beside him, and on the far right, Mr. Pryke and
12 Ms. Imada, who will describe wood supply fiber
13 requirements of selected sectors of the forest products
14 industry.

15 And those sectors are the sawmilling
16 industry, and that will be discussed by Mr. Atkinson;
17 the pulp and paper industry which will be discussed by
18 both Mr. Pryke and Ms. Imada; and the waferboard
19 industry which will be discussed by Mr. Magee.

20 Sawmilling and pulp and paper, as I am
21 sure you are aware, Madam Chair, represent a sizeable
22 portion of the total forest products industry and were
23 chosen primarily for that reason, to illustrate the
24 requirements of their sectors. The waferboard sector
25 was chosen as an example from a large number of other

1 sectors which do not often come to general attention.
2 The Board will recall that it visited a waferboard mill
3 in Timmins, so you have the benefit of having seen
4 facilities from all three sectors we are dealing with
5 in this panel.

6 And with those remarks I propose to
7 qualify the witnesses in the following fashion.

8 Mr. Saltarelli as an expert in wood
9 supply analysis and planning, including regulation and
10 wood supply modeling; Mr. Pryke as an expert in
11 chemical pulp and bleaching technologies and the wood
12 supply requirements associated therewith; Ms. Imada as
13 an expert in wood and fiber properties and mechanical
14 pulping processes; Mr. Atkinson as an expert in wood
15 supply requirements associated with the manufacturing
16 and marketing of lumber and other sawn products; and
17 Mr. Magee as an expert in the procurement of wood
18 supply for waferboard manufacturing.

19 Prior to their being sworn, I ask that
20 they be qualified as such, Madam Chair.

21 MADAM CHAIR: Yes.

22 MR. CASSIDY: Thank you.

23 Madam Chair, I would ask now that the
24 witnesses be sworn or affirmed. And I can advise that
25 Mr. Atkinson will be sworn and the remainder of the

1 witnesses wish to be affirmed.

2 MADAM CHAIR: All right, thank you.

3 MR. CASSIDY: Mr. Atkinson, perhaps you
4 might like to go up front and place your hand on the
5 Bible. And, Madam Chair, it might be as convenient to
6 have the witnesses remain in their chairs as you affirm
7 them.

8 MADAM CHAIR: Yes, I think so.

9 MURRAY ATKINSON, Sworn
10 RONALD MAGEE,
11 NICKOLAS SALTARELLI,
12 DOUGLAS PRYKE,
13 SANDRA IMADA, Affirmed

14 MADAM CHAIR: Thank you.

15 Excuse me, Mr. Cassidy. Could we move
16 that overhead machine, Mr. Martel can't see Ms. Imada.

17 MR. CASSIDY: That's fine, we can bend it
18 down if that is acceptable to you, Mr. Martel.

19 In the course of the evidence the
20 witnesses propose to use the overheads rather
21 extensively. If you can just bear with me we will see
22 if we can get that bent down, actually we are going to
23 start with an overhead right away so it may be
24 appropriate to leave it up. Thank you, Madam Chair.
25 If I could just have a minute.

Madam Chair, I would like to direct the
Board's attention to page 28 of the witness statement

1 where we commence with Section 1 which, as I indicated
2 earlier, will be spoken to by Mr. Saltarelli.

3 And Mr. Virgo, who I believe you have
4 met, Madam Chair, is going to assist in putting up the
5 overheads over the course of the day, and Mr. Virgo has
6 placed an overhead which can be found on page 28 of the
7 witness statement which I believe is marked as Exhibit
8 1072.

9 DIRECT EXAMINATION BY MR. CASSIDY:

10 Q. And for the record, Mr. Saltarelli,
11 perhaps you could read the overhead into the
12 transcript.

13 MR. SALTARELLI: A. Thank you, Mr.
14 Cassidy. Madam Chair, it reads:

15 "It is the position of the Industry that
16 the integrated planning of timber
17 management activities within Forest
18 Management Agreement ("FMA") areas
19 and Company and Crown Management Units
20 ("CMU") is a necessary and vital approach
21 to ensure a short and long-term wood
22 supply for the Industry."

23 Q. Thank you, Mr. Saltarelli. Could you
24 please summarize briefly what you mean by that
25 statement for the benefit of the Board?

1 A. When I was speaking to Mr. Cassidy,
2 Madam Chair and Mr. Martel, timber management starts
3 with the integration concept and what I mean by
4 integration concept is the integration of harvesting
5 and renewal activities. I can't stress strongly enough
6 how important it is.

7 Integration -- the concept of integration
8 basically did not exist pre-FMA. At that time
9 harvesting and renewal activities were treated as
10 separate entities, Industry and the Ministry were more
11 or less going about doing their own thing; Industry
12 harvested and the Ministry renewed.

13 There was an explosion of harvesting
14 technology that began in the late 1950s and more or
15 less progressed unhindered until the early 1970s, and
16 that will be dealt with in our harvesting panel; that
17 is when the buck saw gave way to the chain saw and the
18 chain saw gave way to rather large mechanized forward
19 bunchers. One of the greatest advancements in
20 harvesting technology was the advent of the wheeled
21 skidder which had some very significant impacts on
22 renewal efforts.

23 Regeneration expertise in contrast
24 basically didn't converse, especially the mechanization
25 of silviculture, it actually lagged far behind and by

1 the mid-1970s, early 1970s it was widely recognized
2 that there was a gulf developing between the two levels
3 of technology in silviculture and harvesting and
4 renewal.

5 In 1976 Ken Armson, whom the Board has
6 already heard, published his report and this I believe
7 for the first time gave official recognition to the
8 need to integrate harvesting and renewal to provide for
9 a future wood supply and that led directly to the
10 forest management agreements that we now have.

11 Q. And can you describe briefly the
12 developments or give examples of the developments since
13 the FMAs in this context?

14 A. Do you mean integrated developments?

15 Q. Yes.

16 A. Perhaps the most graphic example I
17 could cite, Madam Chair, was the development of the
18 high flotation wheeled skidder. It more or less
19 coincided with the beginning of the FMA in 1980 and it
20 was in response to the need to prevent the degradation
21 of sites caused by conventional skidding and
22 forwarding.

23 Q. And, Mr. Saltarelli, does the
24 industry support the concept of integration?

25 A. A hundred per cent.

1 Q. And can you explain for the benefit
2 of the Board why it is industry views that as
3 important?

4 A. Yes. It's important to understand
5 what silviculture is all about. Many people equate
6 silviculture with planting of trees and that is just
7 not the way it is. Silviculture is the three major
8 parts; the first part is harvesting, the second part of
9 silviculture is renewal, and the third part is
10 maintenance.

11 The objective of integration of
12 harvesting and renewal is to harvest in such a manner
13 that the forest manager always has an eye towards the
14 establishment of the next crop and he will also
15 establish the next crop with an eye toward harvesting
16 it. So what happens is the array of activities come
17 full circle.

18 What it does is it provides for a
19 continuity of wood supply and it ensures the integrity
20 of the land base that is being managed and it assures
21 the future.

22 Q. And how does that relate to the
23 future of the industry?

24 A. Well obviously, Mr. Cassidy, it's
25 very important to the future of the industry that we

1 have a future wood supply. Are you referring to the
2 role the industry has to play in...?

3 Q. Well, perhaps you can describe that
4 for us then, if you can, the role of industry and, in
5 specific, the company foresters in that?

6 A. It's our position that as far as
7 forest management agreement areas and company
8 management areas are concerned that the company
9 forester involved is the best person to do the actual
10 planning and implementation of these programs.

11 The reason for that is that he knows his
12 land base the best, he knows what the sites are like,
13 he knows what the soils are like, his trees and growth
14 and so on. The Crown land he has obviously should be
15 managed by the Crown because their foresters are best
16 acquainted with their conditions, and that's okay with
17 us.

18 I mean, the wood that is produced or
19 would be produced by the Crown in those situations,
20 however, does come to the industry in one form or
21 another. So it's been the industry's position that we
22 should become involved in the planning process on Crown
23 management units, and I will refer the Board to our
24 Panel 10 evidence which is planning which will be
25 presented in due course, and I would like to refer you

1 to our term and condition which has to do with the
2 Integrated Resource User Committee which would apply to
3 all timber management plans. I am not sure what number
4 that is, Mr. Cassidy.

5 MR. CASSIDY: I can provide that number
6 for you after the break, Madam Chair.

7 Thank you, Mr. Saltarelli.

8 If we could move then to Section 2 of the
9 evidence, Madam Chair, and that can be found commencing
10 at page 30 and I have asked Mr. Spergo to put up an
11 overhead for the benefit of the Board which can also be
12 found on page 30 in bold print.

13 MR. SALTARELLI: It reads, Madam Chair:

14 "It is the Industry's position that given
15 the variability and fluctuation of both
16 short and long-term operational
17 circumstances of the mill requirements,
18 it is critical that Industry timber
19 managers have a broad range of cost
20 effective wood supply management planning
21 and operations alternatives available to
22 use within a framework of sound overall
23 timber management planning."

24 MR. CASSIDY: Q. And, Mr. Saltarelli, on
25 page 30 you refer to operating circumstances causing

1 the manager to change the plans and projections for
2 supplying timber to mills. I understand you wish to
3 discuss this further and you wish to refer to an
4 interrogatory filed by Nishnawbe-Aski Nation, No. 1?

5 MR. SALTARELLI: A. Yes, Madam Chair,
6 that is numbered No. 1 as Mr. Cassidy said.

7 MR. CASSIDY: And that, Madam Chair, can
8 be found on page 1 of Exhibit 1073.

9 MR. SALTARELLI: And essentially
10 Nishnawbe-Aski Nation and Windigo Tribal Council
11 requested some clarification on what we meant by
12 weather fluctuations, equipment availability and
13 personnel-related reasons. And to answer that question
14 I cited three particular circumstances which were
15 particular to the Iroquois Falls Forest with which I am
16 most familiar.

17 With respect to weather fluctuations I
18 spoke to the wind storm that blew up in late November,
19 1987 and this related in a scattered area of blowdown
20 throughout the Iroquois Falls Forest and much of which
21 of course was well beyond our harvesting operations in
22 the location of our operations and that required
23 amendment to the timber management plan.

24 Equipment availability, this is something
25 that hasn't happened yet, but it just illustrates the

1 possibility of something happening. I refer to the
2 timber management plan. At the time this interrogatory
3 was answered, the plan had been submitted to the MNR
4 for approval, it has since been approved by MNR. It is
5 based -- the harvesting aspect of that plan, the access
6 aspect, is based upon the acquisition of two Lokomo
7 clambunk forwarders in addition to the three we already
8 have.

9 And I understand that the Board has seen
10 a clambunk forwarder in Kapuskasing, so I won't get
11 into describing what the machine is like. We now have
12 three. We do intend to acquire two, but economic
13 circumstances are rapidly changing and there is a
14 possibility, although we firmly have plans to acquire
15 these machines because they cost almost half a million
16 dollars apiece --

17 Q. When you are referring to we, you are
18 referring to Abitibi-Price?

19 A. I am referring to Abitibi-Price, Mr.
20 Cassidy.

21 Q. Excuse me.

22 A. Because of economic circumstances we
23 may not be in a position to acquire those two machines.

24 Clambunk forwarding allows long distances
25 between gravel roads and between harvest blocks and if

1 a portion of our operation must be forwarded using
2 conventional high flotation skidders, we may find
3 ourselves in a position to plan for more road
4 construction in the TMP which of course would be part
5 of the amendment.

6 The third example --

7 MADAM CHAIR: Excuse me, Mr. Saltarelli.

8 MR. SALTARELLI: Sorry, Madam Chair.

9 MADAM CHAIR: If you require more road
10 then in fact that harvest allocation would be harvested
11 in a subsequent five-year period?

12 MR. SALTARELLI: No, harvest allocation
13 would remain the same. I should explain that further.
14 With clambunk forwarding one requires fewer roads, so
15 the roads can go farther distances apart within the
16 same cutting block, but if one is using more
17 conventional means of forwarding, the roads have to be
18 closer together, which means you need more roads.

19 The cutting block itself doesn't change
20 but the roads will change and when a road is changed in
21 a TMP it requires an amendment to the TMP.

22 MADAM CHAIR: Wouldn't that add a
23 considerable period of time before you could start
24 harvesting?

25 MR. SALTARELLI: That is the point we are

1 attempting to make, if we have to amend the TMP it can
2 cause some delay.

3 The third point, Madam Chair, has to do
4 with the personnel-related reference. I cited the
5 labour dispute that occurred in Iroquois Falls in the
6 first part of February, 1988. We were right in the
7 middle of our winter site preparation program. Because
8 the Iroquois Falls Forest is in the Clay Belt we have
9 to prepare our sites and our plans in the wintertime
10 when the ground is frozen solid because the ground is
11 otherwise very wet and very soft and mechanically not
12 very strong.

13 What that labour dispute did, in effect,
14 was shut down our program that was half done and we had
15 five and a half million trees coming on stream starting
16 in May of that same year, so you had to get the sites
17 prepared at the time for the arrival of that planting
18 stock. That required us to amend our plans to deal
19 with the site preparation of the third party area,
20 which is just an example.

21 MR. CASSIDY: Q. And I understand, Mr.
22 Saltarelli, that at page 31 of the witness statement,
23 Mr. Saltarelli, you refer in the middle paragraph to:

24 "Technological developments in a mill may
25 change the wood supply requirements from

1 a unit or units."

2 And I understand you wish to speak to
3 that matter and in particular refer to an interrogatory
4 filed by the Ministry of Natural Resources, that is
5 interrogatory No. 2 which can be found on page 3 of
6 Exhibit 1073, Madam Chair.

7 MR. SALTARELLI: A. Thank you, Mr.
8 Cassidy. The question posed in essence was: Is it
9 common for technological developments within a mill
10 environment to occur so rapidly that plan amendments
11 can be effected in a timely manner and, again, I fell
12 upon my expertise at Iroquois Falls to answer the
13 question and I cited four innovations that are actually
14 still on the books.

15 Again, at the time our TMP was in draft
16 form or had been submitted for approval to the MNR and
17 has since been approved and did not incorporate or
18 consider these four innovations because they had been
19 actually brand new at the time. Two of those
20 innovations related to the ability to use aspen; one as
21 newsprint furnish which would be a first for Iroquois
22 Falls and Iroquois Falls has been in operation since
23 1913.

24 The second related to the use of aspen
25 chips as boiler fuel. We had a small test operation of

1 150 tonnes of aspen chips a little while ago, the
2 boiler fuel worked out quite well.

3 The third innovation related to a plan
4 that our engineers had to reduce the age of the fiber
5 and this is in response to more or less a market demand
6 for bright newsprint. If we had to reduce the age of
7 fiber, it means that we have to shorten the time
8 between the point that we harvest the tree, the point
9 that we deliver it to the mill and because of our
10 systems, because our ground is so wet, we produce our
11 freshest wood at gravel roads. It means we can access
12 any time of the year, summertime, springtime, et cetera
13 for our newsprint.

14 So if the engineers all of a sudden say
15 we need fresher wood and we decide to go that route,
16 our management objectives say we can do that. It may
17 require that we build more gravel roads. This, of
18 course, relates back to the clambunk forwarder
19 illustration given before.

20 The fourth innovation relates to the
21 potential use of recycled fiber. Of course, everyone
22 is looking into that. We are not quite sure how that
23 will affect our operations at Iroquois Falls and we
24 know there would be an impact and that could somehow
25 impact on management of the Iroquois Falls forest, as

1 well as how we get fiber, where we get fiber, so our
2 sawmills are concerned.

3 For a variety of reasons, in addition to
4 those examples just cited, we may not be in the
5 position to plan for advances in technology at the mill
6 level, perhaps because funds have not been committed,
7 because of the potential impact that could have on the
8 community in which we operate, it could even impact on
9 our stock price, the price of the stock of the company.

10 Even if technologies do not change, and
11 that's a very big assumption, market demands will
12 almost absolutely change with a great deal of certainty
13 and this will change wood supply requirements, and I
14 believe that Mr. Atkinson has an example he would like
15 to share with you.

16 Q. Yes, Mr. Atkinson, I understand that
17 in your evidence you wish to -- I will try again. I
18 understand that you wish to refer to an example of what
19 Mr. Saltarelli has been talking about in terms of
20 market demand changes?

21 MR. ATKINSON: A. Yes, Mr. Cassidy,
22 Madam Chair. The example applies to railway ties.
23 It's a product that we would call an extra return
24 product in the sawmill business and the demand for them
25 fluctuates quite widely; for instance, in 1983 the

1 production of railway ties in Ontario totalled 23,000
2 cubic metres and two years later in 1985 it totalled
3 86,000 cubic metres. The 86,000 is roughly 850,000
4 railway ties.

5 To be ready for that, we had to have some
6 flexibility in our logging plans to produce the kind of
7 timber that will go into railway ties.

8 Q. Mr. Atkinson, could you provide the
9 Board with the page reference where they might find
10 that discussion in your witness statement?

11 A. Yes, Madam Chair, that's on page 48
12 of my written presentation.

13 Q. And I understand you wish to refer to
14 another example of market changes?

15 A. Another market change, Madam Chair,
16 was in early 1989 at Great West Timber in Thunder Bay
17 here, which is a plant that I am responsible for, we
18 found it necessary to reduce production because of
19 market conditions; low prices, low demand, and for that
20 reason the plant was shut down for the first two months
21 of 1989.

22 And in terms of log supply, that meant
23 that in that year our actual consumption of logs was
24 reduced by about 120,000 cubic metres which changed our
25 logging plans significantly because of market

1 conditions.

2 Q. Thank you, Mr. Atkinson.

3 Mr. Saltarelli, I would like to move back
4 to you and come back just briefly to the matter of
5 operating circumstances that you discussed earlier and
6 you provided examples in response to an interrogatory.

7 Are there other circumstances relating to
8 operations that relate to wood supply?

9 MR. SALTARELLI: A. Yes, Mr. Cassidy,
10 and to answer that question I would refer the Board to
11 Ministry of Environment interrogatory No. 2,
12 specifically 2(b) is what I am addressing here.

13 The question posed was in relation to the
14 three examples which I discussed earlier: Are there
15 other -- what kind of turnaround time of approval is
16 required to change operations.

17 MR. CASSIDY: And that can be found at
18 page 5 of Exhibit 1037, Madam Chair.

19 Q. Can you discuss then the
20 accommodations that -- or should there be
21 accommodations in the planning process for the
22 fluctuations that you have described?

23 MR. SALTARELLI: A. Yes, absolutely.

24 Q. Can you describe those?

25 A. I explained that there are different

1 types of circumstances. There are those that are
2 percipitated suddenly by the weather, for example, or
3 spring break-up, that would require a fairly rapid
4 response time, weeks or even days.

5 Timing amendments brought about by
6 changes in mill technology are usually far less
7 critical and typically have as much as years of time to
8 effect changes to our planning process, changes of
9 market demand, on the other hand, can be very rapid.
10 We could acquire an order for some sort of product and
11 that order can be cancelled and that could affect our
12 inventories of roundwood or chips or so on. This is
13 particularly a concern to the sawmill industry when
14 they get on order for specialty products.

15 As far as how it relates to the planning
16 process, again I am referring to Panel 10. We believe
17 that, again, the plan author, in this case the
18 Ministry, should host the open house, again because
19 they are most familiar with the circumstances and how
20 they might change.

21 We have a term and condition as well as
22 what we present in our Panel 10 evidence that proposes
23 to establish local Advisory Committees and those
24 committees, because they again are local, are familiar
25 with circumstances more than others who would be in a

1 position to effect changes or amendments most
2 expeditiously. Our Panel 10 evidence will cover the
3 need for carry-over as between one plan period and
4 another, the need for flexibility and contingency areas
5 to relate to particular circumstances and especially
6 the need for public input, and I refer specifically to
7 the Integrated Resource Users Committee.

8 Q. All right. Mr. Saltarelli, the Board
9 in the scoping session for this panel asked a question
10 in that regard with respect to the -- on page 33 of
11 your witness statement, in respect of informing the
12 public about the timber management plan, we have the
13 change of markets or other influences shifted through
14 the planning period, and the Board asked about the
15 Industry's role in doing that.

16 Does the evidence you have given address
17 that? Would you care to add anything else?

18 A. Yes. Essentially I would emphasize
19 that it is our position that the plan author should
20 become more involved with the public participation
21 process. So the answer to the question is essentially
22 yes, we do see ourselves becoming much more proactive
23 in the public input phase.

24 Q. Thank you. Do you wish to summarize
25 your evidence in respect to this section just briefly?

1 A. Certainly, Mr. Cassidy. We would ask
2 that the Board bear in mind markets are constantly
3 changing, as well as market technologies are constantly
4 changing and the resource is changing at the same time.
5 The planning system that will eventually be put into
6 place should be designed to recognize this timeliness
7 of all these factors with respect to the planning
8 process.

9 What is key is timeliness. We have to be
10 able to respond as quickly as a situation demands in
11 order to remain competitive. This is a very
12 competitive industry. Bear in mind that most of our
13 products are sold internationally.

14 Thank you, Mr. Cassidy.

15 MR. CASSIDY: If we could move on then,
16 Madam Chair, Mr. Martel, to Section 3 of the evidence
17 which for the benefit of the Board commences at page
18 36. And if I could ask Mr. Virgo to assist and put up
19 the next overhead which can also be found on page 36,
20 Madam Chair.

21 Q. Mr. Saltarelli, would you please read
22 that into the record?

23 MR. SALTARELLI: A. Yes, it reads, Madam
24 Chair:

25 "It is the Industry's position that the

1 forest resources inventory is a
2 valuable timber management planning tool.
3 In appropriate circumstances, Industry
4 timber managers will obtain and use
5 supplemental timber resource data when
6 planning and conducting timber management
7 activities."

8 Q. And, Mr. Saltarelli, can you
9 summarize what you mean in this section?

10 A. Essentially, Mr. Cassidy, in spite of
11 its limitations, I cannot conceive planning without
12 having the forest resources inventory. I think it
13 would be virtually impossible.

14 The FRI, even as it is constituted, is an
15 extremely valuable tool for macro-level planning - by
16 macro-level planning I mean strategic planning - but it
17 also provides the basis and sort of the fundamental
18 starting point for stand level planning or planning
19 and this is because it compartmentalizes the forest; it
20 divides the forest into nice neat little polygons.

21 It's easy using the FRI to identify
22 discreet areas and compartmentalize them and we can
23 through the acquisition of supplemental data determine
24 specific specialty attributes for each of those
25 compartments within the FRIs, so it actually organizes

1 the forest for us.

2 Q. I understand you wish to explain the
3 supplemental data that you refer to?

4 A. Yes. I would like to file the
5 Ministry of Environment's interrogatory No. 3.

6 MR. CASSIDY: That can be found on page 7
7 of Exhibit 1073, Madam Chair, Mr. Martel.

8 MR. SATARELLI: And the question was
9 posed in the context of refining FRI to give timber
10 managers the ability to effect better management
11 decisions, and this is really what we refer to as a
12 decision support system or part of a decision support
13 system in the industry.

14 Some of the information that could be
15 collected would be in the form of so-called OPC data,
16 operational cruise, and this was discussed at length by
17 Dr. Osborn I believe in Panel 3 or 4.

18 On the ground we may want to look at
19 average tree run, for example. This is especially
20 important for the sawmilling industry. Tree run means
21 a number of trees per cubic metre. It's also important
22 to the pulping industry as well, but not quite so
23 critical.

24 You might want to look at average trees
25 form class, that really means how straight the tree is,

1 how crooked it is, how many knots it has and so on, and
2 that's important to the veneer industry as well as
3 sawmilling.

4 We may wish to collect soils and forest
5 ecosystem qualification data and this of course is in
6 relation to our silvicultural programs.

7 There are a number of other bits of
8 information or categories of information that may not
9 be identified and they really all fall into the place
10 of growth in the yield and these things will be very
11 helpful in some circumstances to help us effect
12 management decisions.

13 I would hasten to point out that some of
14 this information may or may not be required, it depends
15 to a great measure on how good the FRI is, how current
16 it is, what kind of planning constraints we have or
17 planning objectives and strategies, what kind of
18 products we are producing and so on.

19 MADAM CHAIR: Is this information, Mr.
20 Saltarelli, this list, what you consider to be a fairly
21 complete supplement to the FRI?

22 MR. SALTARELLI: No, Madam Chair, I just
23 gave some specific examples in this case.

24 MADAM CHAIR: So, in your opinion, there
25 is really no one list that could be used to supplement

1 the FRI, that it would change with management units?

2 MR. SALTARELLI: Not one list that comes
3 to mind. I think each management unit would have a
4 particular set of circumstances. They change so much,
5 we have so many different forest regions in Ontario
6 from the Clay Belt to the Superior -- Rockwood/Superior
7 around here, we have sand flats south of Englehart and
8 so on. Each management unit would have a different set
9 of information required to make better decisions.

10 MADAM CHAIR: Each forester working in
11 those management units would have in his or her mind a
12 similar sort of list that they --

13 MR. SALTARELLI: Absolutely.

14 MR. CASSIDY: Q. Mr. Saltarelli, can you
15 describe for the benefit of the Board how that
16 information or these types of information might be
17 acquired or the ways that it's done?

18 MR. SALTARELLI: A. Yes, that's referred
19 to as data capture. It is more or less
20 self-explanatory, Madam Chair, Mr. Martel. It tells
21 how we go about capturing data. Again, I refer to the
22 operational cruise which is sort of a direct
23 on-the-ground type of data collection.

24 There are also other means; remote
25 imagery is primarily the most important, and I'm

1 referring to aerial photography which is not a new
2 technology, it has been around since about the 1930s
3 but it is still used. It is being used more
4 effectively now with different types of films such as
5 colour, infrared and so on.

6 Satellite imagery is something that has
7 been looked at by the Industry and by the forest
8 community at large. They are actually for a couple of
9 decades now starting to develop some exciting
10 possibilities; radar and scanning is something that has
11 some good possibilities. It was developed by the
12 military and it has now found itself in the public
13 domain.

14 There is a fair bit of work done at the
15 Ontario Centre for Remote Sensing which is a branch of
16 the MNR in radar and a brand new technology is scanning
17 and this is when a video camera of sorts is attached to
18 an airplane and flies over the forest and then collects
19 these huge amounts of data, and this has some really
20 exciting applications as far as integrating that
21 technology with the geographic information system
22 technology.

23 Some information is collected just by
24 virtue of local knowledge. Again, the forest manager's
25 expertise, his soils and sites, how his trees grow. He

1 can look at an FRI description and know by that
2 description what that stand looks like without going
3 into the field and looking at it.

4 That manager have may access to cull
5 surveys, to tree runs and recovered volumes, he knows
6 how much volume he got from road No. 56 and block No.
7 B, he knows what the FRI said was going to be there.
8 He can establish different relationships between what
9 the FRI says is there and what was actually there on
10 the ground and, therefore, apply a kind of factor to
11 FRIs to give it a little better accuracy.

12 Now, I got into geographic information
13 systems and I was very briefly speaking to scannings.
14 The primary value of the GIS is that a lot of those are
15 really for the first time in history. This is the
16 first time that technology has allowed it to happen.
17 It allows the storage and retrieval of incredible
18 massive resource data sets, resource information. It
19 produces resource pictures in time at a snapshot
20 approach to a depiction of the inventory.

21 We all heard that a picture is worth a
22 thousand words, and that's exactly what it does; it
23 allows timber managers to take a picture of their
24 inventory and look at it and it allows that manager to
25 make a very rapid assessment just by looking at spacial

1 distribution of all those stands and where they are in
2 relation to roads and lakes and things, and it gives
3 them a very good appreciation for his inventory
4 situation.

5 Q. In respect of GIS, Mr. Saltarelli, on
6 page 38 of your witness statement you refer to term and
7 condition No. 48 from MNR, and can you advise the Board
8 of the Industry's view with respect of that term and
9 condition and industry's involvement?

10 A. Essentially we are a hundred per cent
11 supportive of MNR's initiative. Industry is actively
12 involved in developing GIS applications for use in
13 timber management and we would very much like to assist
14 MNR and go on record to say we are looking forward to
15 assisting MNR in the completion of their term and
16 condition No. 48.

17 I believe the Board -- this is a matter
18 of clarification. The Board has seen GIS mass produced
19 by CP Forest Products. I believe they are Exhibits
20 1025 and 1026.

21 MR. CASSIDY: I believe that is the case,
22 Madam Chair. We are going to review those exhibits to
23 confirm that, which I can do over the course of the
24 break, but my understanding from the foggy memory of
25 January 29th is that those were GIS maps produced by

1 Canadian Pacific Forest Products and we will confirm
2 that over the break.

3 Just while I am on matters relating to
4 that, Madam Chair, in terms of OFIA/OLMA terms and
5 conditions on Advisory Committees that Mr. Saltarelli
6 referred to earlier, I can advise the Board that those
7 are discussed in the preamble of the terms and
8 conditions, but are also referred to in Section 1 of
9 the OFIA/OLMA terms and conditions.

10 Thank you, Mr. Saltarelli.

11 If I can move on then to Section 4 of the
12 witness statement which can be found on pages 39
13 through 41. And Mr. Virgo is going to put up an
14 overhead which reflects the full statement which should
15 be on page 39, which is in fact contained in the
16 executive summary as paragraph No. 6.

17 However, the word processor chopped off
18 the last four words on paragraph -- five words on
19 paragraph 39.

20 Q. So perhaps for the sake of
21 completeness, you could read in the full statement for
22 the record, Mr. Saltarelli?

23 MR. SALTARELLI: A. Thank you, Mr.
24 Cassidy. The angle here is rather oblique, I will see
25 what I can do. The overhead reads:

1 "It is the position of Industry that the
2 continuing development of a greater
3 degree of sophistication in the methods
4 of a timber resource regulation and
5 allocation should be supported and
6 encouraged."

7 Q. And I understand you first wish to
8 refer to a statement of issues filed by the Ministry of
9 Natural Resources in reference to their statement of
10 issues paragraph 2(b) on the use of OWOSFOP and other
11 models, and could you please discuss that?

12 A. Yes, Mr. Cassidy. It is our
13 interpretation, looking at the timber management
14 planning manual, that OWOSFOP is the only officially
15 recognized model for regulation use in managing FMAs.

16 I would point out, however, that the
17 Ministry does allow more or less unrestricted use of
18 other regulation models if it's possible to justify
19 their use as long as their outputs can be compared with
20 the outputs of OWOSFOP.

21 The northern region of the Ministry, as a
22 matter of fact, is actively encouraging the use of an
23 alternate volume supply model, as well as OWOSFOP in
24 good timber management plans.

25 Q. Mr. Saltarelli, on page 40 your

1 evidence refers to Ministry's position on the evolution
2 of models and the statement refers to good development.

3 I understand you wish to provide the
4 Board with some overheads which were drawn to discuss
5 the evolution that you refer to in your witness
6 statement of various models?

7 A. Yes, Mr. Cassidy. Essentially there
8 are two facets to the thing I am going to try to
9 exemplify here, and that is the nature of the data set
10 that each model uses, and I am discussing three
11 distinctive different models here, as well as how those
12 models see the forest that they are modelling and you
13 can see it's a very kind of nebulous term because they
14 don't have any sort of intelligence or -- I think I
15 will turn this mike off.

16 MR. CASSIDY: Madam Chair, I have copies
17 of the drawings that Mr. Saltarelli is going to refer
18 to in respect of these evolutionary models which I will
19 provide to the Board.

20 MADAM CHAIR: This will be Exhibit 1076.

21 MR. CASSIDY: Madam Chair, what I suggest
22 we do, since Mr. Saltarelli will be referring to each,
23 for the purposes of the record, as he finishes each
24 overhead I will simply suggest that that be marked
25 Exhibit 1076A, B, et cetera.

1 ---EXHIBIT NO. 1076A: Hard copy of overhead entitled:
2 The OWOSFOP Forest.

3 MR. CASSIDY: Q. And therefore, you are
4 showing an overhead which we could mark as Exhibit
5 1076A titled: The OWOSFOP Forest.

6 MR. SALTARELLI: A. Yes, Mr. Cassidy,
7 this is a depiction of the OWOSFOP Forest.

8 The OWOSFOP program sees, as it were, the
9 forest of Iroquois Falls, this would be FMA 500-200.
10 It's a map, that's Lake Abitibi there after which
11 Abitibi-Price is named.

12 The OWOSFOP model sees the forest as a
13 lump and the circle here is not by accident, it doesn't
14 lend any sort of spacial considerations to the data.
15 It takes the forest and breaks it up into a number of
16 forest units, it can be five, six, eight or nine,
17 whatever the case may be, but a limited number,
18 generally small, generally one digit.

19 It takes each forest unit and essentially
20 breaks it up into age classes within the forest, but
21 this is fundamentally the basis upon -- there is no
22 spacial relationship and that is called aggregation,
23 it's an aggregation model.

24 MR. CASSIDY: Before we go on any
25 further, if I could ask the Board if they can see that

1 overhead or do they wish the lights to be turned out.

2 MADAM CHAIR: I think we are looking at
3 our hard copy.

4 MR. CASSIDY: Q. We are putting up
5 another overhead. What do you propose to entitle that
6 overhead, Mr. Saltarelli?

7 MR. SALTARELLI: A. The previous one or
8 this one?

9 Q. This one.

10 A. This one will be Bullet Points, Basic
11 Description of OWOSFOP.

12 MR. CASSIDY: And that will be Exhibit
13 1076B, which is your collection, Madam Chair?

14 ---EXHIBIT NO. 1076B: Hard copy of overhead entitled:
15 Bullet Points, basic Description
of OWOSFOP.

16 MR. SALTARELLI: OWOSFOP is essentially
17 an area regulation simulation. It's also called an
18 inventory projection model; in other words, it projects
19 inventories through time. It's a bookkeeping tool, by
20 that I mean that it really just keeps track of numbers,
21 it doesn't keep track of discreet stands or what have
22 you. It's incapable of spacial considerations, it
23 doesn't know where those stands are. It's just a lump
24 again.

25 OWOSFOP has fairly limited forest unit

1 capabilities; once a forest unit has been harvested in
2 OWOSFOP it generally goes back into that same forest
3 unit it can't change. To quote, "a rose is a rose is
4 always a rose".

5 OWOSFOP is fairly arbitrary in its
6 simulation of depletions and accruals. It assumes
7 because those data are aggregated that all stands are
8 created equally and all stands are equally accessible
9 to access, which in reality is never the case.

10 By itself it's a poor indicator of
11 sustainable wood supply; in other words, you can't just
12 run OWOSFOP and say that's our wood supply, you have
13 to take the output, you have to go back to ledgers, go
14 back to maps and laborously disaggregate all of those
15 aggregations. And that is the only way that you can
16 get a fairly good approximation of wood supply.

17 The dataset is easy to prepare, it's
18 taken from the three-year report for the forest
19 resources inventory. The output is only moderately
20 sensitive to user assumptions and that is because it
21 has a very limited sort of algorithm attached to it and
22 that is because the dataset is aggregated in rather
23 gross lumps.

24 The output is fairly simple to interpret,
25 however the regulation and allocation areas are poorly

1 related. This again is a reflection of how the model
2 regulates without any consideration for where those
3 stands are and really doesn't take any cognizance of
4 constraints of road systems, of where the lakes are and
5 so on, other users and so on. And it has limited
6 potential for enhancements; in other words, OWOSFOP
7 will probably always be a fairly basic wood supply
8 model.

9 MR. CASSIDY: Q. Moving on to the next
10 overhead which is titled: The FORMAN Forest which,
11 Madam Chair, if we could mark as Exhibit 1076C?
12 ---EXHIBIT NO. 1076C: Hard copy of overhead entitled:
13 The FORMAN Forest.

14 MR. SALTARELLI: Yes. There are some
15 similarities here. FORMAN is like OWOSFOP production
16 of New Brunswick.

17 MR. CASSIDY: Q. What does FORMAN stand
18 for?

19 MR. SALTARELLI: A. It stands for forest
20 management. There is a version of FORMAN just produced
21 again in the northern region which is called NORMAN and
22 it stands for northern region forest management as it's
23 northern region management. It integrates some of the
24 planning considerations in Ontario that New Brunswick
25 doesn't have like free to grow, NSR and so on.

1 FORMAN and NORMAN essentially does the
2 same thing with the forest resource; in other words, it
3 aggregates it into lumps. The difference here is that
4 there are a larger number of the aggregations, it's
5 really --

6 Q. I am sorry, you referred to NORMAN
7 and what does that stand for?

8 A. It stands for northern region
9 management of forest project.

10 Q. Right.

11 A. Again what I am saying, that where
12 OWOSFOP will subdivide the forest into essentially
13 seven or eight or what have you forest units, NORMAN
14 would subdivide the same forest area into perhaps a 150
15 or 200 forest classes and each one of those classes has
16 very distinct characteristics. They are all the same
17 age, they have about the same species compositions,
18 stocking perhaps. It's really up to the manager.

19 So the big advantage as far as how FORMAN
20 sees the forest I think compartmentalizes it a little
21 bit better, but it's still aggregated.

22 Q. Moving on to the next overhead which
23 will be Exhibit 1076D, and that could be described as
24 what, Mr. Saltarelli?

25 A. This will be Bullet Points

1 FORMAN/NORMAN Model, Brief Description.

2 ---EXHIBIT NO. 1076D: Hard copy of overhead entitled:
3 Bullet Points FORMAN/NORMAN
Model, Brief Description.

4 MR. SALTARELLI: FORMAN is, unlike
5 OWOSFOP, a volume regulation model; OWOSFOP as you
6 remember is an area regulation model. It too is tied
7 to aggregated forest classes as is OWOSFOP. Again, the
8 aggregations are split up a bit more.

9 It too is a sequential inventory
10 projected simulator and a bookkeeping tool. It keeps
11 track of numbers, it's not really capable of looking at
12 spacial considerations such as roads and stands and so
13 on.

14 It has good forest class development
15 capabilities and that is because each of those forest
16 classes, 150 or 200 or what have you, has a set of
17 developmental curves attached to them. So a forest
18 class can be harvested in a certain manner and treated
19 in a certain manner and may become a different type of
20 forest altogether and that is something that FORMAN
21 does that OWOSFOP cannot do.

22 There is a less arbitrary simulation of
23 depletions and accruals inherent with FORMAN. Because
24 the land base is better defined in the dataset it's
25 capable of differentiating products; in other words,

1 you can run the program to maximize sawlogs, for
2 example, and that again is something you can't get out
3 of OWOSFOP. Is capable of considering costs, it may be
4 a harvest strategy to minimize costs for a period of
5 time, and that is something that can be done.

6 It is a potentially fair indicator of
7 sustainable wood supply, but again there is a need to
8 take the information provided by FORMAN and
9 disaggregate it and apply it to the operating level,
10 the algorithm maps, the ledgers, attempt to take those
11 numbers that FORMAN gives and apply that to the real
12 situation.

13 The dataset is somewhat difficult to
14 prepare insofar as one has to define what those forest
15 classes are and, again, the more forest classes you
16 have the more accurate the model is going to be and, of
17 course, the more complex it is going to be.

18 The output is more sensitive to user
19 assumptions than is OWOSFOP, mainly because it does
20 more. The model relies upon a sort of expert system to
21 tells it what happens when a certain treatment or a
22 certain activity happens to a certain forest class.
23 There can be considerable interpretation of output.

24 There are a couple of recent TMPs that
25 have used FORMAN as a regulation system. I understand

1 that each of them used upwards of a couple of hundred
2 simulations in order to come up with one that they felt
3 was best for their unit. That takes an awful lot of
4 time. Because of that practice of running all those
5 simulations to better reflect the real situation, there
6 is a better relationship between regulation and
7 allocation and there is some potential for
8 advancement -- enhancements in that program, and I have
9 cited the WILD Program which is used in the northern
10 region to look at or model wildlife habitat as an
11 example.

12 MR. CASSIDY: And the next overhead,
13 Madam Chair, would be Exhibit 1076E, titled: The HSG
14 Forest.

15 ---EXHIBIT NO. 1076E: Hard copy of overhead entitled:
16 The HSG Forest.

17 MR. CASSIDY: Q. And can you explain to
18 the Board what HSG is, Mr. Saltarelli?

19 MR. SALTARELLI A. HSG is an acronym for
20 Harvest Schedule Generator. It's a brand new model,
21 it's state-of-the-art and was produced by the Petawawa
22 National Forestry Institute in consultation with
23 Northern Region of the Ministry of Natural Resources
24 and Abitibi-Price at Iroquois Falls. Tom Moore is the
25 real brain child -- this is the brain child of Tom

1 Moore, he did most of the work.

2 Q. And he's at the...?

3 A. He's at Petawawa, yes.

4 The depiction here -- what I have done is
5 I have taken a subsection of this subpeninsula, this
6 peninsula here in Lake Abitibi and blown it up, and
7 then taken a subpeninsula and blown that up to give you
8 an idea of what HSG sees. And this is where there is a
9 giant leap forward in modeling.

10 HSG sees all these different base maps
11 here, it sees the roads, it knows where this creek is,
12 it knows where that swamp is, where these alder swells
13 are, it knows where that osprey nest is, it knows the
14 relative position of this park and the stands, it knows
15 each stand's identity, what kind of volumes it has.

16 MR. CASSIDY: I think, Madam Chair, the
17 record will be self-explanatory and doesn't need the
18 witness to describe where it is in the actual overhead.

19 MR. SALTARELLI: All right. It has an
20 idea of each individual stand description, how old it
21 is, how tall it is, what kind of site it's growing on
22 and, for the first time, we have given a spacial
23 dimension to regulation in a wood supply model. That
24 is the important thing about HSG.

25 MR. CASSIDY: And the next overhead is

1 Exhibit 1076F. And what would be the title of that,
2 Mr. Saltarelli?

3 MR. SALTARELLI: A. This would be Bullet
4 Points, Harvest Schedule Generator, a Brief
5 Description.

6 ---EXHIBIT NO. 1076F: Hard copy of overhead entitled:
7 Bullet Points, Harvest Schedule
Generator, a Brief Description.

8 MR. SALTARELLI: HSG is characterized as
9 a super FORMAN. This is important because it
10 demonstrates a kind of evolution in modeling. FORMAN
11 itself wouldn't have happened without OWOSFOP, OWOSFOP
12 was a step in the process and it's possible that HSG
13 wouldn't have happened without FORMAN.

14 It's a volume regulation model, unlike
15 FORMAN, but it's based on GIS technology and because it
16 knows where all those different polygons are it's
17 highly spacial and temporal; in other words, it has the
18 ability to track discreet areas through time. I
19 believe the Iroquois Falls Forest has something in the
20 order of 40,000 polygons that it's capable of
21 considering and tracking through time.

22 It is capable of exceedingly complex
23 stand development capabilities and this is based upon
24 an expert system and information provided by experts
25 put into assorted matrix the model accesses to match

1 up -- mix and match different situations, come up with
2 a different end product.

3 There is a much more precise simulation
4 of depletions and accruals, again because on a stand
5 level basis it goes to the actual stands and it models
6 the regulation on that basis. It's capable of
7 differentiating products and values, as is FORMAN to
8 some extent. It is capable of considering cost. That
9 particular aspect is pretty basic knowledge being
10 developed to a higher extent by I believe the CFS in
11 Newfoundland.

12 It is a potentially good indicator of
13 sustainable wood supply. The dataset is extremely
14 difficult and I have in brackets (expensive to prepare)
15 and that is because each and every polygon within the
16 forest, each and every attribute has to be digitized.
17 That is a very laborious and expensive process. I
18 estimate it would probably cost a hundred thousand plus
19 to do the Iroquois Falls Forest.

20 The output -- the interpretation of
21 output is considerable but the point to be made here is
22 that it's much easier to look at that output than it is
23 too look at output of OWOSFOP and FORMAN. OWOSFOP and
24 FORMAN provide essentially a table of numbers to look
25 at; whereas HSG provides the manager with a picture.

1 The manager can run the program 10 years into the
2 future, have the program print out a picture of his
3 forest and he can see what is happening to his land
4 base. And a picture is worth a thousand words.

5 The output is very sensitive to user
6 assumptions and that again is because it's so complex
7 because the model is on a stand level basis. There is
8 a very good correlation of regulation area and
9 allocation area because of stand level. The thing
10 about HSG - and this is really common to all wood
11 supply models - is that growth and yield data is part
12 of the most limiting factor; in other words, you need
13 to depend upon an expert system to tell the model what
14 is going to happen in a certain set of circumstances.
15 The model doesn't have any sort of intrinsic
16 understanding of growth and yield. That is something
17 you have to work on.

18 It has, however, unlimited potential for
19 enhancement. You can think of HSG as the foundation of
20 an office building. That's going to be applying HSG,
21 in my opinion, we are going to see technology advance
22 in the future.

23 MR. CASSIDY: And the next overhead would
24 be 1076G - I am sorry F. I'm sorry, Madam Chair,
25 1076G.

1 ---EXHIBIT NO. 1076G: Hard copy of overhead entitled:
2 Relative Size of Datasets.

3 MR. SALTARELLI: This is just to
4 exemplify the differences in the datasets between the
5 three models. OWOSFOP was produced about 13 years ago,
6 has a dataset of about 6K, 6,000 bytes and it requires
7 two pages in lay terms copied on one side.

8 The FORMAN dataset is about twice as
9 complex, 12K, 12,000 bytes with four pages. The HSG
10 dataset, because it requires a GIS technology, has
11 about a hundred billion bytes, that is billion with a
12 "B", which translated into lay terms would be about
13 33-million pages.

14 So that is what I mean by a giant leap
15 forward in modern technology. It really exemplifies
16 that for the first time because of GIS we are able to
17 do this sort of thing.

18 MR. CASSIDY: Q. And we have entitled
19 that page...?

20 MR. SALTARELLI: A. You can title that
21 Relative Size of Datasets.

22 Q. Thank you, Mr. Saltarelli. And can
23 you indicate why the industry is interested in the
24 development of these new methods of yield regulation
25 that you are talking about?

1 A. Yes. Thank you for waiting. The
2 basic premise of modeling - I should get back to the
3 basics here - is that modeling is a representation --
4 an artificial representation of a natural system and it
5 allows the manager to effect changes in the artificial
6 system to give him insights into how those changes will
7 affect the natural system. So it's an invaluable tool.

8 There is probably no other way in which
9 to effect wood supply analysis in the long term in
10 computer modeling. It is an integral part of the
11 timber management planning process to assess what the
12 effects of management will be on long-term wood supply.
13 It's also by definition a function of TMP planning to
14 ensure that long-term wood supply.

15 The use of modeling such as these would
16 provide the timber manager with the ability to
17 determine what management strategies he should develop
18 or should have.

19 It's a rapidly developing field, as you
20 can see. It's going to be changed in six months and
21 rapidly changed in another year, and we feel that
22 somehow the planning process has to accommodate it. I
23 don't think the planning process even hopes to catch up
24 with it or keep pace with it but it should be flexible
25 enough to accommodate it as it changes.

1 Q. Thank you, Mr. Saltarelli.

2 MADAM CHAIR: Excuse me. Just one
3 question, Mr. Cassidy. Abitibi is a very large company
4 and can possibly afford this sort of system. Do you
5 see some other companies being in that sort of
6 position?

7 MR. SALTARELLI: Yes. The great thing
8 about computer hardware and software now is that the
9 price is going in the opposite direction as
10 development. As development is going sky high, the
11 price is going down.

12 To give you an example, we acquired a
13 geographical information system about a year ago and we
14 decided that we would go with an IBM system and PC
15 software, which is a personal computer, because it was
16 less expensive than the corresponding mini-computer
17 software and hardware.

18 Well, a year later it's now possible to
19 get that mini-computer hardware and software at around
20 the same price and the stuff runs four to five times as
21 fast and does 50 times as much. HSG is now available
22 on what is called the Sun work station using a UNIX
23 operating system. There aren't a lot of people using
24 that yet, but it's my understanding talking with Mr.
25 Moore at Petawawa that he's actively involved in

1 translating his model to a DOS program so anyone can
2 use it. If you have an ordinary PC which is relatively
3 inexpensive and you have a GIS you can run the program.

4 So the answer is I believe, yes, it's
5 going to come to a point where virtually anyone can
6 take advantage of this technology, but I would hasten
7 to point out that it requires a bit of expertise to
8 run. Everybody in the province can run OWOSFOP on a
9 micro-computer, it's a very user friendly type of thing
10 relative to FORMAN or HSG. There are perhaps a dozen
11 or more offices or companies that can run FORMAN that
12 have the expertise to actually take that program and
13 plan with it.

14 The number of individuals or companies or
15 agencies that can run HSG is very limited because it's
16 brand new state-of-the-art and it's very complicated
17 which is going to develop with the natural evolution of
18 things.

19 MADAM CHAIR: With the use of HSG, do you
20 spend any time looking at running FORMAN or OWOSFOP
21 models to compare the data, the output to the HSG?

22 MR. SALTARELLI: If HSG is used for a
23 timber management plan, we would run FORMAN or OWOSFOP,
24 I should say, as a means to provide a method of
25 comparison with other plans; in other words, just to

1 standardize the practice we would run OWOSFOP as a
2 matter of course.

3 If we had FORMAN and HSG side by side and
4 had the option to use one or the other and we were
5 equally capable of using one or the other, we would
6 more likely use the HSG model because it's more
7 precise.

8 Yes, Mr. Martel?

9 MR. MARTEL: Because the HSG model is so
10 much -- well, it seems to offer so much more than
11 OWOSFOP and I think you said that the Ministry has not
12 been pushy as to what system one uses; in other words,
13 as long as the data from one could relate to the other,
14 I believe, in fact companies could use what they want.

15 What happens now, if this model is so
16 much superior to OWOSFOP in terms of what it can
17 indicate out there, what happens to the relationship
18 between what MNR is using and what someone -- a company
19 like your own is using in terms of feeding the data
20 back and forth?

21 MR. SALTARELLI: First of all, it's
22 incumbent on the company to rationalize the use of any
23 model they use other than OWOSFOP, that's understood.

24 MR. MARTEL: Yes.

25 MR. SALTARELLI: I believe I tried to

1 point out that HSG is so complex that not everyone is
2 going to be geared up to using it. In fact, there are
3 very few people who are going to be geared up to using
4 it at first. Even if it is a much superior model
5 doesn't mean that it's going to be used universally
6 because, first of all, the cost of preparing the
7 dataset is quite large, at least now it is, that could
8 come down significantly in the future, but at the time
9 being it is a very expensive model just to get up and
10 running.

11 So I believe your question has to do with
12 why doesn't HSG become the standard.

13 MR. MARTEL: Well, I see that becoming
14 the standard based on the fact that it does so much
15 more. I am actually wondering what happens to
16 everybody else out there, including the Ministry who is
17 using OWOSFOP which was developed many years ago which
18 says -- it tells you certain things based on certain
19 assumptions but this one does so much more.

20 Somebody is going to have to keep up with
21 somebody or someone is going to have to slow down and I
22 don't think anybody is interested in slowing down, they
23 are going to want other people to get in line.

24 MR. SALTARELLI: No, sir, it's full
25 speed ahead and the Ministry is involved. The Ministry

1 was very much involved with the development of HSG and
2 it will be one of the first agencies that will import
3 HSG into its new systems. I don't know what it is
4 going to do with it, that's not for me to answer, but
5 they are going to have it.

6 Like I said, it's going to take a long
7 time for the technology -- maybe not a long time, it is
8 going to take some time for the technology to come down
9 in price that would allow everyone to use it. The big
10 cost of course is digitization of the dataset..

11 MR. CASSIDY: Thank you, Mr. Saltarelli.

12 If we could move on then, Madam Chair. I
13 believe your intention is to take a break at
14 approximately 10:15; is it?

15 MADAM CHAIR: That's right. 10:10.

16 MR. CASSIDY: 10:10?

17 MADAM CHAIR: On the nose.

18 MR. CASSIDY: We are going to finish Mr.
19 Saltarelli shortly and we will be commencing with Mr.
20 Atkinson following that. It may be appropriate to take
21 the break once we complete Mr. Saltarelli before we get
22 into Mr. Atkinson. We will probably be about another
23 half hour of lead in his evidence. I am in the Board's
24 hands; I mean, we are prepared to push on.

25 MR. MARTEL: I think we are trying to

1 set -- if I might just say, maybe I am being pushy on
2 this; but I am trying to set it so that everyone knows
3 the time they can make their phone calls, when they can
4 receive their phone calls. It would make life a little
5 more civilized for everyone.

6 It might appear to be arbitrary, but I
7 think in the final analysis, based on my experience, if
8 you can set your timetable to something then it makes
9 life easier for everyone all along the line.

10 MADAM CHAIR: Let's keep going, Mr.
11 Cassidy, we will stop at 10:10.

12 MR. CASSIDY: Thank you.

13 Mr. Virgo, could you do the next overhead
14 please. This overhead can be found on page 43, Madam
15 Chair, of the witness statement, Exhibit 1072 and it is
16 in relation to Section 6 of the evidence entitled: The
17 Timber Production Policy.

18 Q. Mr. Saltarelli, could you please read
19 that into the record?

20 MR. SALTARELLI: A. Yes, Mr. Cassidy.
21 Madam Chair, Mr. Martel, the overheads reads:

22 "It is the position of Industry that
23 there is a need for a revised Timber
24 Production Policy formulated jointly by
25 MNR and the Industry, to identify future

1 regeneration levels and funding
2 commitments necessary to meet anticipated
3 wood supply requirements."

4 Q. And, Mr. Saltarelli, can you tell me
5 what the Industry's position is in the involvement of
6 the new TPP?

7 A. Yes. Essentially we believe that the
8 old forest production policy of 1972 is somewhat
9 outdated; that's in view of changing technologies and
10 mill processes, silviculture and information processing
11 such as what was just discussed, and there is a need
12 and perhaps, more importantly, the ability to develop a
13 new contemporary strategy.

14 We maintain the position that Industry is
15 one of the significant resource users out so we should
16 be involved in the production of the new timber
17 production policy.

18 Q. The Board in the scoping session
19 asked about the involvement of the industry in the
20 development of the new TPP. Can you discuss that,
21 please?

22 A. Yes. Industry has been advised by
23 the Ministry of Natural Resources that it will be
24 involved in some meaningful way in the production of
25 the timber production policy and we look forward to

1 that.

2 Q. All right. I understand that you
3 wish to refer now to some interrogatories that were
4 filed which are contained in Exhibit 1073, dealing
5 first I believe with Forests for Tomorrow No. 7?

6 A. Yes. This one is brief that I will
7 read it.

8 MR. CASSIDY: That can be found on page 9
9 of Exhibit 1073, Madam Chair.

10 MR. SALTARELLI: The question was:
11 "Why has the industry not proposed the
12 inclusion of other interests in the
13 development of the proposed new TPP?"

14 And our answer is that we have no
15 objection at all of the participation of other parties
16 in the development of that.

17 MR. CASSIDY: Q. If I can just stop you
18 there.

19 MR. MARTEL: There is a page missing from
20 Mrs. Koven's package.

21 MADAM CHAIR: My 1073 stops at page 8.

22 MR. CASSIDY: I have a full set here. I
23 apologize, Madam Chair. (handed)

24 Q. I'm sorry, Mr. Saltarelli...

25 MR. SALTARELLI: A. Best little plan,

1 Mr. Cassidy.

2 Q. If you could perhaps take that from
3 the top.

4 A. Certainly. The question reads, Madam
5 Chair, Mr. Martel:

6 "Why has the industry not proposed the
7 inclusion of other interests in the
8 development of the proposed new TPP?"

9 And our answer was, we have no objection
10 to the input and participation of other parties and we
11 cited as part of that response, again, our Panel 10
12 evidence on planning which speaks to the formulation of
13 Advisory Committees, a wide array of resource users.

14 Q. Thank you. I understand you wish
15 also to refer to another interrogatory filed by the
16 Ministry of the Environment?

17 A. Yes, this is No. 6.

18 Q. And that can be found on page 8,
19 which I hope you have, of Exhibit 1073.

20 A. The interrogatory had to do with how
21 the industry perceived the TPP being implemented at the
22 local or stand level, and part of that interrogatory
23 also had to do with the flexibility that we felt had to
24 be built into the TPP. Our response was that:

25 "While timber management at the stand

1 level will affect the achievement and
2 targets identified in the TPP, the Policy
3 itself would not be implemented at
4 the..." local or... "stand level."

5 We envisaged that it would be developed
6 for the province based upon management unit data that
7 are provided by the management unit and that the TPP
8 would allocate specific targets back to the management
9 units.

10 And, again, we refer to our Regional
11 Inventory Resource Users Committee as being the best
12 equipped to decide how to accommodate those targets,
13 that is in the second part part of that interrogatory.

14 We maintain that the TPP would set out a
15 general course of action; in other words, it would not
16 specifically tell each management unit manager how to
17 achieve the targets; that will be up to him or up to
18 the committee to decide. It would only identify the
19 targets that each individual manager would have to
20 strive to achieve.

21 Q. Thank you, Mr. Saltarelli.

22 MR. CASSIDY: Madam Chair, that completes
23 Mr. Saltarelli's evidence.

24 If I could just have your indulgence to
25 speak to Mr. Lindgren at this time.

1 ---Discussion off the record

2 MR. CASSIDY: Thank you, Madam Chair. I
3 would like to turn now to Mr. Atkinson and his evidence
4 is found in Appendix A of the witness statement,
5 Exhibit 1072 and can be found at pages 45 through 60
6 entitled Sawmilling Wood Supply Requirements.

7 Mr. Atkinson, I understand you are the
8 President of Great West Timber?

9 MR. ATKINSON: A. That's correct, Mr.
10 Cassidy.

11 Q. And I understand that is a sawmill
12 and tree plant here in Thunder Bay?

13 A. That's right.

14 Q. And how many people does it employ?

15 A. 225 employees in the mill plus about
16 250 in the woodlands.

17 Q. Mr. Atkinson, can you summarize
18 briefly for the Board the history of sawmilling as
19 discussed in your evidence?

20 A. The history of the kind of sawmilling
21 that I'm involved in - that is known as the softwood
22 sawmilling industry in Ontario - is that it began in
23 the boreal forest in the 1920s with fairly rudimentary
24 mills, but those mills made a significant contribution
25 to the development and opening of northern Ontario, as

1 they still do.

2 The industry progressed through the
3 intervening period with many remarkable improvements,
4 mainly designed to increase the productivity, to reduce
5 costs, use the available species and sizes of trees in
6 the province up to the present, which I will touch on
7 later under technology.

8 This industry in northern Ontario made a
9 significant contribution to the accumulation of capital
10 as did the pine industry in the Ottawa Valley much
11 earlier in the history of forestry in Ontario.

12 We now have an industry in Ontario that
13 in softwood produces about two billion feet annually of
14 mostly what we call SPF lumber, which is spruce, pine
15 and fir and that's a grade species designation that's
16 used in the trade, and also significant amounts of red
17 and white pine, hemlock and some other minor species.

18 Q. Mr. Atkinson, can you summarize
19 briefly your evidence in respect of the various
20 products that sawmills produce.

21 And for the Board's reference that
22 evidence can be found commencing at page 48 of the
23 witness statement.

24 A. Madam Chair, the principal product
25 produced by softwood sawmill in Ontario is SPF

1 construction lumber. This is lumber in sizes such as 2
2 x 4, 2 x 6, 2 x 8, 2 x 10, in lengths from 6 feet to 12
3 feet which is principally used in construction and
4 remodelling of housing units and in all kinds of
5 construction that is forming in industry as pallets and
6 other industrial products and mill work and many other
7 products.

8 This product is graded according to
9 visual characteristics in order to grade it into
10 strength classes and the grading system is harmonized
11 throughout North American, so the product that we make
12 in Ontario can be sold throughout Canada and throughout
13 the United States without any contest as to whether it
14 is suitable.

15 The other products are timbers, which are
16 defined as a piece of wood that is more than four
17 inches by four inches in cross-section dimension and
18 this would include products for mine timbers,
19 landscaping, framing of large buildings and railway
20 ties, as we mentioned before.

21 These products are very important in
22 upgrading the resource that we have in Ontario to the
23 best end use and contributing enough to the sawmill to
24 pay its bills. We also in manufacturing lumber produce
25 a lot of what we call pulp chips and --

1 Q. I understand that you have some
2 examples of pulp chips which you would like to
3 illustrate to the Board?

4 A. Yes, Mr. Cassidy. Madam Chair, this
5 is a small sample of pulp chips which have been
6 screened and prepared for the kraft pulp industry. It
7 is interesting that approximately 50 per cent of the
8 sawlog wood that we put into our sawmill comes out as
9 pulp chips. Because logs are round nad lumber is
10 square there is quite a bit of product that has to be
11 used for something besides lumber.

12 It is a very significant contribution to
13 the economy of a sawmill and I think it's quite
14 valuable to the pulp industry as well.

15 Q. If I can just stop you there and have
16 that filed as an example, Mr. Madam Chair, a bag of
17 pulp chips and that will be Exhibit 107...

18 MADAM CHAIR: Seven.

19 MR. CASSIDY: Seven. Mr. Atkinson will
20 you mark that on that bag.

21 ---EXHIBIT NO. 1077: Bag containing pulp chips.

22 MR. CASSIDY: Madam Chair, Mr. Pryke
23 intends to refer to that bag in his evidence later and
24 as soon as he is done with it we will put it up for you
25 to have a closer look at it, unless of course you wish

1 to it now.

2 Madam Chair, if we could then continue
3 with Mr. Atkinson.

4 Q. Any other examples you have?

5 MR. ATKINSON: A. Madam Chair, we also
6 produce other products in the process of producing
7 lumber. In this example here, we have a mixture of
8 sawdust and shavings which is also used in one of the
9 northwestern Ontario mills for the production of liner
10 board which is used in corrugated boxes, and this
11 product combines sawdust and shavings, is about 15 per
12 cent of the input of sawlog wood into our sawmills as
13 an average.

14 Q. You are referring to a second bag you
15 have in your hand which you would call a bag of what,
16 Mr. Atkinson?

17 A. Sawdust and shavings.

18 MADAM CHAIR: That's Exhibit 1078.

19 MR. CASSIDY: Thank you.

20 MADAM CHAIR: Did you say that's 15 per
21 cent of the output of sawmills?

22 MR. ATKINSON: That's correct, Madam
23 Chair.

24 ---EXHIBIT NO. 1078: Bag containing sawdust and
25 shavings.

1 MR. CASSIDY: Q. Is that the output of
2 your particular mill or a typical mill?

3 MR. ATKINSON: A. That would be the
4 output of a typical mill.

5 Q. And you have a third bag which you
6 wish to discuss?

7 A. Yes. We also debark the logs and I
8 have here an example of spruce and jack pine bark which
9 has been shredded to make it more suitable for boiler
10 fuel or for horticultural mulch.

11 In the case of Great West Timber, we
12 market most of our bark as boiler fuel, but we also
13 ship - and by ship I mean a ship load - of bark into
14 Detroit every year which is used for horticultural
15 mulch.

16 MR. CASSIDY: Perhaps we can mark that
17 bag as Exhibit 1079.

18 Q. The bag of bark?

19 A. That is correct.

20 ---EXHIBIT NO. 1079: Bag containing bark.

21 MADAM CHAIR: Should we have our morning
22 break now, Mr. Cassidy?

23 MR. CASSIDY: Madam Chair, would that be
24 for 15 minutes?

25 MADAM CHAIR: I think it's 20 minutes;

1 isn't it.

2 MR. CASSIDY: 20 minutes.

3 ---Recess taken at 10:10 a.m.

4 ---On resuming at 10:30 a.m.

5 MADAM CHAIR: Please be seated.

6 MR. CASSIDY: Madam Chair, could you
7 advise me of the time you intend to break for lunch?

8 MADAM CHAIR: At twelve o'clock.

9 MR. CASSIDY: Thank you.

10 Q. Mr. Atkinson, I would like to come
11 back to you. And is there anything you wish to add in
12 respect to my question regarding the sawmill products
13 that your company has produced or your industry
14 produces?

15 MR. ATKINSON: A. I think I have covered
16 most of the products to the degree that we need to
17 cover, Madam Chair.

18 I would just like to put in a few remarks
19 about how we sell lumber. Essentially our salesmen
20 pick up the phone and they call a customer and they try
21 to arrive at a price. This is called a commodity
22 market, softwood lumber is a pure commodity. There are
23 probably 2,000 producers in North America of some size
24 and 50,000 customers or something in that order when
25 you get right down to the retail level.

1 So that really there is always the lumber
2 market, the only question is kwho is going to be in it
3 and the people who are in it are the ones that are able
4 to keep up with the rat race which is a continuous
5 upgrading of facilities, thinking of better ways of
6 manufacturing and shipping, and getting the logs out of
7 the bush. And a very important point that we as the
8 industry try to make here is that we need flexibility
9 in our log supply so that when there is a certain
10 market such as railway ties or timbers, we can go and
11 cut fresh logs that are suitable for that market and
12 not be tied down to a fixed supply that we have to cut
13 in a certain order in a certain year or certain month
14 or something like that.

15 MADAM CHAIR: Excuse me, Mr. Atkinson,
16 you mean by location.

17 MR. ATKINSON: By location or by stand
18 characteristics, the size or species in a particular
19 stand.

20 MR. MARTEL: How does that tie in then to
21 a five-year plan?

22 MR. ATKINSON: That is what we wrestle
23 with, Mr. Martel, or a 20-year plan for that matter.

24 We would try to save or store on the
25 stump, if you like, large jack pine trees so that we

1 have them available to produce railway ties when that
2 market is available, as an example.

3 MR. CASSIDY: Mr. Martel, as I think you
4 may be aware, the industry's planning panel will be
5 dealing with the issues related to that, following up
6 on some of the matters you have heard here and will
7 hear in respect of other of the industry's evidence.

8 MR. MARTEL: I read that panel but just
9 here we are talking about quick adjustments and I am
10 just not sure how it even fits into the plan as in 10 I
11 guess it is, how that flexibility is built in.

12 MR. CASSIDY: Well, I will be happy to
13 make a note of your question and make sure we address
14 this. This is almost a pre-Panel 10 scoping session
15 then.

16 MR. MARTEL: All right.

17 MR. CASSIDY: Thank you. Perhaps I might
18 just take a moment, Madam Chair, and if Mr. Dadds can
19 hear me, it might be worth his making yet another
20 effort to see if we can adjust the microphone that Mr.
21 Atkinson has, if possible.

22 ---Discussion off the record

23 MR. CASSIDY: Q. Mr. Atkinson, at page
24 51 and 52 of your evidence you refer to the standards
25 that chips should meet for various things such as

1 species size, thickness, and rot. Could you explain
2 those standards or the particular demands on your
3 industry in terms of chips?

4 MR. ATKINSON: A. Yes, Mr. Cassidy, and
5 Madam Chair. The production of chips demands that we
6 produce a certain size, certain thickness and screen
7 out small material that isn't suitable or large
8 material that isn't suitable.

9 The chips have to be bark free which is a
10 considerable part of our production machinery. They
11 are not allowed to have any charcoal in them from
12 forest fires or something like that. The species is
13 sometimes sorted, we do that in our mills, so that we
14 have pure spruce chips to supply to newsprint mills.
15 The chips have to be fresh, free of contamination, and
16 that is what we seldom sell to the paper companies.

17 MADAM CHAIR: Excuse me, Mr. Cassidy, I
18 have been told if the other witness panel members would
19 turn off their mikes it might clear up.

20 MR. CASSIDY: They are all off.

21 ---Discussion off the record

22 MR. CASSIDY: Q. Mr. Pryke, I understand
23 that in your evidence you will be explaining some of
24 those requirements that Mr. Atkinson has referred to?

25 MR. PRYKE: A. Yes, I will.

1 Q. Mr. Atkinson, could I then turn you
2 to Section 3 of your evidence commencing at page 52 and
3 ask you to describe the wood supply requirements that
4 your industry has?

5 MR. ATKINSON: A. The sawmill industry
6 as it exists in northern Ontario now, the softwood
7 sawmill industry, when it goes to get logs for its
8 mills carries out its operations in much the same way
9 as a pulp mill. We are allocated certain stands and we
10 make our plans and build the roads and go and cut
11 whatever species and size of material that is available
12 there and turn it to the best possible end use that we
13 can.

14 This means that our log supply is
15 generally of fairly small diameter in northern Ontario
16 and our mills have been built to handle it, but we
17 don't go out and select large trees as the sawmill
18 industry used to do many years ago.

19 The requirements for good sawlogs are
20 that they be fairly straight, that their diameter be
21 four and a half inches at the small end or larger
22 because the diameter determines the markets you can be
23 in. If your logs are all small you can't make 2 by 8s
24 or 2 by 10s which is one of the better products.

25 The quality of the logs should mean that

1 there is not excessive rot or crook in the logs and if
2 there is a lot of taper in the log you don't get much
3 recovery from it. Generally logs in northern Ontario
4 have about two inches taper for every 16 feet and that
5 is quite a bit, it's twice as much as in British
6 Columbia interior for instance. So that the less taper
7 you have, the better recovery you get out of the log.

8 We can't do much about taper, but we can
9 do something about cutting the crooked parts out of the
10 log before we introduce it to our mill.

11 MADAM CHAIR: Excuse me, Mr. Atkinson.
12 Does your company do any selection harvest or modified
13 harvest in reserve areas?

14 MR. ATKINSON: My field of expertise,
15 Madam Chair, doesn't include much about what we do in
16 the woodlands. I think that could be dealt with in
17 another panel.

18 MR. CASSIDY: Madam Chair, we do not
19 intend to produce a witness from Mr. Atkinson's company
20 in another panel, however if you were to ask that
21 question about harvest activities generally in the
22 boreal forest of our harvest witnesses, I am sure that
23 one of them can discuss that with you, since at least
24 one of the case studies that I have referred to in that
25 panel addresses forest conditions similar to Mr.

1 Atkinson's company.

2 Q. Yes, Mr. Atkinson. I believe you
3 were discussing log quality. Is species important?

4 MR. ATKINSON: A. Yes. We don't have
5 too many species to work with in northern Ontario, but
6 we prefer to have jack pine and black and white spruce.
7 We also harvest some balsam fir, but because balsam
8 tends to start to decline at an early age, there is a
9 significant amount of defect in it, particularly in the
10 larger size of logs.

11 It's also very, very difficult to dry, to
12 the extent that we can't mix it with spruce and pine,
13 we either have to sell it as green lumber which means
14 we don't dry it or spend a great deal of money trying
15 to dry it.

16 Q. If that is the case then, Mr.
17 Atkinson, why do you harvest balsam fir?

18 A. Well, it's because it's in stands
19 that we are harvesting. If we don't take it is either
20 damaged or left behind and it makes regeneration very
21 difficult and for that reason we, when we are operating
22 in mixed stands, we try to take the balsam.

23 Q. And could you indicate to me again
24 what are the preferred species?

25 A. Some preferred species are jack pine

1 and white spruce and black spruce.

2 Q. And jack pine is preferred for what?

3 A. Well, it's a product that treats very
4 well and both of our sawmills in Thunder Bay have
5 treating plants and it's used for other products that
6 are treated as I mentioned before.

7 Q. And the spruce is preferred for what?

8 A. Spruce makes very high grade framing
9 lumber for house construction and other construction
10 and for mill work.

11 Q. And do technological developments
12 impact on wood supply requirements?

13 A. They have for years in the sense that
14 technology allows us to use smaller and smaller sizes
15 of logs by producing machines that are fast and capable
16 of handling small logs, yes.

17 Q. And can you tell me a bit about the
18 harvesting for sawmills that goes on, just briefly?

19 A. Well, I think I mentioned that when
20 we log we log the way everybody else does in northern
21 Ontario including the pulp mills, we cut the species
22 that are on the site and make the best use we can of
23 them, because if we don't take them the first time
24 around they blow over or something before we can get
25 back and pick them up again.

1 Q. Yes.

2 A. Was there anything else that I was
3 going to explain on that?

4 MR. CASSIDY: No. If I can --

5 MR. MARTEL: I am just wondering, you cut
6 everything to help in terms of regeneration. Is there
7 any of the logs that you just sell to someone else;
8 maybe they are too small for your industry, that you
9 sell for pulp to somebody else?

10 MR. ATKINSON: Yes. When we slash the
11 trees into logs in the bush we sell the smaller
12 diameters as rough pulp to the paper companies, yes,
13 and we also trade sawlogs to a considerable extent for
14 chips, particularly here in Thunder Bay, the paper
15 companies produce sawlogs for us and we return chips to
16 them, which is a very good arrangement.

17 And I should say that I think we have a
18 very good relationship ongoing with the major pulp and
19 paper companies for which we are very thankful.

20 MR. CASSIDY: Q. Mr. Atkinson, if I
21 could just close with you by asking you if members of
22 your industry are involved in forest management
23 agreements?

24 MR. ATKINSON: A. Yes, we are. In our
25 own company we have a forest management agreement north

1 of Sioux Lookout for what we call our McKenzie Forest
2 Products Division and we are also operating the Black
3 River Forest east of Manitouwadge and there are other
4 FMAs in the forest at Hearst and Chapleau.

5 MR. MARTEL: Who prepares your -- is that
6 a Crown unit?

7 MR. ATKINSON: No.

8 MR. MARTEL: An FMA, pardon me. You do
9 all the planning, you have your own planning foresters
10 doing the planning and everything there?

11 MR. ATKINSON: Yes, we do, Mr. Martel.

12 MR. MARTEL: How small would a company
13 get before it reaches a point that it can't really do
14 that sort of planning itself?

15 We heard some complaints last week - I
16 think they were complaints - about industry, certain
17 aspects of industry not being in the same league, if I
18 can use that term, with some of the bigger companies.

19 How small do you get before you really
20 can't engage in the type of planning or employ the type
21 of people required to do the planning, particularly in
22 your type of industry where much of it is very small
23 wood?

24 MR. ATKINSON: I am not sure precisely
25 where that mark would be, Mr. Martel, but I think when

1 you do arrive at that point there are consulting
2 foresters who are available to handle your planning and
3 so on.

4 MR. CASSIDY: Q. Mr. Saltarelli -- I am
5 sorry, sir.

6 MR. ATKINSON: A. Excuse me.

7 Q. I was just going to indicate, Mr.
8 Martel, that Mr. Saltarelli has background in timber
9 management planning and may be of some assistance to
10 you.

11 MR. SALTARELLI: Yes. Let me answer the
12 question for you.

13 I would cite two private companies,
14 Superior Forest Management and Hearst Forest
15 Management, and these are very small management
16 companies in essence that do the planning and
17 administration of forests, small groupings for a
18 grouping of small sawmills. So in essence there is no
19 size.

20 MR. CASSIDY: Mr. Lafreniere I believe
21 gave evidence in that respect.

22 MADAM CHAIR: Yes, we heard that there
23 were two company owned -- jointly owned...

24 MR. MARTEL: I guess my concern though is
25 we haven't moved ahead, we have reached a certain level

1 with FMAs and I don't think from the point we reached
2 it to completing what I think was the intent has
3 occurred with respect to MNR in terms of entering FMAs
4 with the other part of the industry that is not
5 involved.

6 I wasn't sure if that was one of the
7 reasons why we haven't gone the whole -- except for of
8 course Crown management units.

9 MR. SALTARELLI: I am not sure what the
10 reason was. You are correct in your statement that we
11 haven't gone as far -- the Ministry did not go as far
12 as was originally intended.

13 It is my interpretation - I stand to be
14 corrected - that had a lot to do with funding. The
15 cost of the FMA program is quite high and the current
16 level of funding which is not an extension -- has not
17 been able to allow an extension of that program.

18 MR. CASSIDY: It may be appropriate -- I
19 am not sure if we can assist much further.

20 MR. MARTEL: No, from the company's
21 perspective I want to know whether the companies -
22 because I think the information we received during the
23 hearing to this point was, we got to a level and while
24 there was interest in achieving more in terms of FMAs
25 that hasn't occurred, and I was just wondering from the

1 company position...

2 MR. FREIDIN: Mr. Martel, for my purposes
3 I am wondering whether you could explain what you
4 understood the evidence or the intent of MNR was? You
5 said you thought they had a certain intent but didn't
6 go as far as -- could you please respond to that?

7 MR. MARTEL: I thought the interest was
8 to get as many companies involved in FMAs so that the
9 whole of harvesting and regeneration could be done as
10 much as possible by the same individual, by the same
11 corporation, whether it was the Crown doing it all, but
12 the intent was to get more and more of the companies
13 involved.

14 And I think in the last three or four
15 years -- I might be wrong, but the last three or four
16 years we have reached a level and I don't think there
17 has been much progress in getting the last of the
18 companies who are outside the agreements involved.

19 MR. FREIDIN: I think I would have to
20 direct you to the evidence of an earlier panel and I
21 will provide you with that, and that was that there was
22 not an intention that all the units become forest
23 management agreements, that there is a useful purpose
24 to be served by retaining Crown management units.

25 I will refer you to that specific

1 evidence that was led I believe in Panel 2 or 3 on
2 that.

3 MR. MARTEL: But I thought included in
4 there there was some large companies that still weren't
5 involved.

6 MR. FREIDIN: I will see if there is some
7 evidence on that as well. If I can't provide all the
8 information, then I will have to reserve the subject
9 matter for reply evidence.

10 MR. MARTEL: All right, thank you.

11 MR. FREIDIN: Okay.

12 MR. CASSIDY: That completes Mr.
13 Atkinson's evidence, Madam Chair, Mr. Martel and,
14 therefore, I would like to move on.

15 Q. I trust that completes your evidence,
16 Mr. Atkinson?

17 MR. ATKINSON: A. Mr. Cassidy, maybe I
18 should just say one...

19 Q. Certainly.

20 A. A little bit about technology in the
21 sawmill industry, if I may, Madam Chair.

22 The sawmill industry is an old industry
23 but I think it's fairly well up to date on what it's
24 attempting to do with the available tools we have now
25 and data processing and computers and so on.

1 What we are working on now is methods of
2 reducing the amount of sawdust we produce by using
3 thinner saws. We have methods of sensing sizes of logs
4 and where to cut them, we have systems of sorting
5 lumber and we are working as an industry on systems of
6 identifying species, sensing the moisture contents in
7 lumber so that we can do a better job of drying it and
8 many other initiatives like that, including grading
9 lumber with machines.

10 Grading is a very fine art, I should say,
11 and if you don't grade your lumber correctly you don't
12 get the value from it that you should. So that is some
13 of the things that we are working on now.

14 Thank you, Madam Chair.

15 MR. CASSIDY: Thank you, Mr. Atkinson.
16 Now, we have completed Mr. Atkinson's evidence. I
17 would like to move on to Appendix B, Madam Chair, and
18 that will be addressed by Mr. Magee who is sitting
19 beside Mr. Atkinson.

20 The Appendix B can be found at pages 61
21 through 72 of the wood supply witness statement,
22 Exhibit 1072 and as titled: Waferboard Wood Supply
23 Requirements and Factors Affecting Woodshed Limits.

24 Q. And, Mr. Magee, could you begin with
25 a brief explanation of the history of the waferboard

1 industry in Ontario?

2 MR. MAGEE: A. Thank you, Mr. Cassidy
3 and Madam Chair.

4 The waferboard industry in Canada in fact
5 in the world began in Saskatchewan in 1961. The first
6 waferboard mill in Ontario was built in Timmins in 1973
7 and in the mid-70s waferboard mills were built in Long
8 Lac and two were built in Thunder Bay.

9 Grant Forest Products waferboard mill in
10 Englehart came on stream in 1981 and since then has
11 done an expansion in 1988 making it the largest oriented
12 strand board and waferboard complex in the world. The
13 two mills in Thunder Bay have closed.

14 Q. All right. With respect to the mill
15 you mentioned in Timmins that opened in 1973, is that
16 the mill that the Board viewed in their...

17 A. Yes, the Mallette Waferboard Mill.

18 Q. And I understand with respect to the
19 closure of the mills that you have referred to, you
20 wish to refer to an interrogatory from the Ministry of
21 the Environment that dealt with that issue.

22 MR. CASSIDY: And that is Interrogatory
23 No. 8 on page 10 of the Exhibit 1073, Madam Chair.

24 Q. And I understand you wish to discuss
25 that, Mr. Magee?

1 MR. MAGEE: A. Yes. I will go through
2 the interrogatory. The questions were:

3 "(a) Please elaborate on the reasons why
4 the two waferboard mills in Thunder Bay
5 closed."

6 And:

7 "(b) Please explain why it was not
8 feasible to convert these mills to
9 oriented strand board."

10 The reason given by both companies were
11 high wood costs. Competition from the local pulp mill
12 also using poplar blew up the price of poplar where it
13 was too high to be profitable for the making of
14 waferboard. Profit levels were inadequate to provide
15 sufficient return on the investment requirement to
16 modernize both mills.

17 One mill did convert to OSB, however, it
18 was not competitive and decisions were made in both
19 cases not to keep the mills open or to modernize
20 because of the wood costs.

21 Q. Now, I understand you wish to provide
22 the Board with some examples of the products that the
23 waferboard industry produce.

24 A. Yes, Mr. Cassidy. I have with me
25 here a piece of waferboard. Waferboard is a commodity

1 product, it's used mainly in the construction industry
2 for sheeting, roofing and flooring. It's made from a
3 waterproof glue.

4 MR. CASSIDY: All right. If we could
5 mark that as Exhibit 1070.

6 MADAM CHAIR: 1080.

7 MR. CASSIDY: I am sorry, 1080, one
8 sample of waferboard if it's possible to write on
9 there.

10 ---EXHIBIT NO. 1080: Sample of waferboard.

11 MR. CASSIDY: Q. And the next sample
12 that you have, Mr. Magee?

13 MR. MAGEE: A. I have here a sample of a
14 piece of plywood. Plywood is again a construction
15 material, it competes with waferboard -- or waferboard
16 competes with it. The veneer is taken from high
17 quality logs. A knife against the log on the lathe
18 takes off a thin piece of veneer. These veneers are
19 glued back together to form plywood.

20 In this case there are two plies, two or
21 three plies, and the centre ply is laid at right angles
22 or across to the face layers.

23 This particular piece is a piece of bass
24 and plywood. It's quarter inch, made in Ontario, it's
25 the kind that would normally be used for underlay in

1 flooring. Some plywood is also used -- or what they
2 call the industrial grade, is further used for
3 furniture or kitchen cupboards.

4 MR. CASSIDY: And that will be Exhibit
5 1081, one sample of plywood.

6 ---EXHIBIT NO. 1081: Sample of plywood.

7 MR. CASSIDY: Q. Would it be accurate,
8 Mr. Magee, to describe that as one sample of plywood
9 produced by waferboard?

10 A. No.

11 Q. One sample of plywood?

12 A. One sample of plywood.

13 Q. And your next sample?

14 A. My next sample is a piece of
15 particleboard. This sample came from Rexwood Products
16 in Haileybury. Particleboard is made from aspen and in
17 this case planer shavings, spruce pine and fir planer
18 shavings from sawmills.

19 It's a layer board with a finer material
20 on the outside and some of the more course stuff on the
21 inside. It's made with a glue which is not really
22 considered waterproof but water resistant and used
23 mainly for interior use.

24 The same board sometimes thinner is
25 covered with a plastic or a paper or a thin piece of

1 wood veneer and used in furniture components. It's
2 quite often used as countertops and encompasses
3 cupboards made of melamine.

4 I would think that cabinet in front of
5 the Board table has got particleboard underneath that
6 plastic veneer.

7 Q. And the next --

8 MR. CASSIDY: That will be Exhibit 1082,
9 I believe one sample of particleboard.

10 ---EXHIBIT NO. 1082: Sample of particleboard.

11 MR. MAGEE: This is a sample of oriented
12 strand board. You'll notice the wafers are not square
13 and randomly arranged as in the sample of waferboard,
14 but they are in strands or smaller pieces, longer than
15 they are narrow. These are 4 inch strands in this
16 particular sample.

17 MR. CASSIDY: That will be Exhibit 1083,
18 sample of graded strand board.

19 ---EXHIBIT NO. 1083: Sample of strand board.

20 MR. CASSIDY: Q. Is that also known as
21 OSB?

22 MR. MAGEE: A. Yes, that's correct.

23 Q. Are those all the samples you have at
24 this time?

25 A. Yes, it is.

1 MR. CASSIDY: Madam Chair, I will bring
2 these up so you can have a closer look.

3 MADAM CHAIR: Thank you.

4 Mr. Magee, what is the difference in
5 prices among those products?

6 MR. MAGEE: I'm afraid I can't give you
7 an answer on that; I am in the wood supply end of it.
8 I think the local building supply could yeild some
9 answers pretty quick. The waferboard people are very
10 quick in saying that waferboard -- it's cheaper to
11 build your house with waferboard than with plywood.

12 MADAM CHAIR: Thank you.

13 MR. CASSIDY: Q. Mr. Magee, could you
14 tell us or explain the process briefly of how these
15 products are manufactured?

16 MR. MAGEE: A. Yes, I'll specifically
17 speak about the waferboard.

18 Q. Just hang on a second, Mr. Magee.

19 MR. MARTEL: Could you just give me a
20 little bit more explanation between the difference of
21 the first waferboard you showed us and the oriented
22 strand board?

23 MR. MAGEE: Certainly. I hit it again
24 several times, but we can go on to it now. The strand
25 board, as you see, the surface layers are longer and

1 thinner, which are strands, and it gives more strength
2 in the one plane. Conceivably, the thinner layer could
3 go right into the cross ways or they often can be
4 oriented in the same direction to give much greater
5 strength in one direction which would be across your
6 four joists. You could have greater four joists band
7 with OSB than with waferboard.

8 In fact, the OSB competes in the American
9 market with the American plywood. It is graded under
10 the APA grading rules and it has entered the American
11 market quite well. Most of the mills in the U.S. are
12 capable of making the strand board.

13 As I mentioned, the wafers are bigger,
14 there's surface layers laid down and then a core and
15 then another surface layer. The strands can be four
16 inches in size or some strands can be made longer.

17 MR. CASSIDY: Q. I understand you wish
18 to refer to or describe briefly the process by which
19 these products are made and you have an overhead which
20 you would like to present to the Board.

21 Madam Chair, that overhead, a hard copy
22 can be found on page 72 of the witness statement.

23 Perhaps I think it will be necessary for
24 Mr. Magee to refer to the overhead directly to give you
25 some background.

1 MR. MAGEE: A. The wood which is 100 per
2 cent aspen, I'm speaking for all the mills in Ontario,
3 enters the woodyard and must pass through a slasher, if
4 the wood is compiled in tree lengths or it's compiled
5 into desired lengths, such as eight foot or sixteen,
6 that the mill can handle and it is stored. From the
7 slasher, the wood goes through a debarker where the
8 bark is removed and then in the hot ponds.

9 The hot ponds are necessary for
10 conditioning, particularly in the winter to get the
11 frost out so the logs are able to cut into wafers.

12 From the hot ponds, the material goes to
13 the waferizer. The waferizer cuts these pieces of
14 wafers that are approximately 30,000 and an inch thick.
15 It does not make chips, it's a very selective type of
16 machinery designed to make not too many fines.

17 There are storage bins after the flakers
18 and then it goes to the dryers. The dryers bring the
19 moisture content from about 50 per cent down to a three
20 to four per cent. Again, some storage bins and some
21 screeners, some screens. The screens remove the
22 smaller particles.

23 Q. Where do they go? Are those the
24 fines?

25 A. Those are where we have fines here,

1 yes, coming out.

2 Q. Where do they go?

3 A. The fines, in the case of the Grant
4 mill, are sold to a local particle board mill or to a
5 pulp mill for hog fuel. At the Mallet waferboard mill
6 the fines are used in-house to make particle board.

7 Q. I think you were at the screens part
8 of it.

9 A. Yes, thank you. The screens, the
10 blender, there is resin and wax added at the blender
11 and then onto the forming line. The forming line is a
12 moving belt where the surface layers are laid down
13 first. They can be oriented if they're strands, and
14 then a centre or correlator put on and then another
15 surface layer laid down, and then they go into the
16 press.

17 The time in the press depends upon the
18 thickness of the panel. The thicker panel takes a
19 proportionally longer time for the glue and the core to
20 cure. From there, the wood goes to the trim saws and
21 stacker and to the warehouse.

22 Q. The dryers, Mr. Magee, what is the
23 energy source for the dryers?

24 A. The energy source for the dryers in
25 the Grant mill is fuel, the bark that is taken from the

1 logs. There is quite a high demand for heat in the
2 mills. The press takes an awful lot of the heat, as
3 well as the hot pond particularly in the winter time.

4 Q. Thank you. Mr. Magee, can you
5 explain to the Board what the species is that is used
6 for the production of these products in Ontario?

7 A. Yes. In Ontario the species used is
8 a hundred per cent aspen poplar.

9 Q. And are there any species or any wood
10 supply or fiber requirements for your products?

11 A. Waferboard mills can use quite a
12 large range of quality of wood in aspen. There are
13 some physical limitations which mills have because of
14 their debarkers or their waferizers; there may be a
15 maximum or minimum size they can take. Other than
16 that, the logs should be reasonably straight and
17 branches cut off and free of forks.

18 The core of every tree or small tree is
19 juvenile wood, is wood laid down when the tree was
20 bending, it had branches on it and the smaller radius
21 of the annual ring makes for poor wafers. The wafers
22 tend to break and more fines are made. The better
23 wafers come from the bigger logs, just like lumber.

24 A mill can use smaller logs and wood with
25 quite a bit of rot, but it can't run solely on that

1 type of tree. It has to have good wood to mix in entry
2 of the mill.

3 Q. I would like to refer you to Section
4 6 of your evidence on page 64 where you talk about
5 improved mill utilization. Would you describe for the
6 Board what developments there have been to your mill or
7 your industry?

8 A. Yes. The improvements in the board
9 industry have been that a lot of the earlier problems
10 with waferboard, such as the disswelling or linear
11 expansion and delamination have been taken care of.
12 There is better glue and better quality control in the
13 mills.

14 As well, there is ability to make the
15 oriented strand board. The strand board can be made
16 with less wood. Those larger wafers oriented, the
17 panel doesn't have to be pressed or made with as much
18 wood. It doesn't have to be pressed as dense or made
19 with as much as wood, so the same square footage or
20 number of panels could be made using less wood with the
21 OSB.

22 Q. Can you just briefly explain the OSB
23 orientated strand board and developments in it?

24 A. Yes. Further, the larger wafers can
25 be made into stronger material. I have with me here a

1 sample of some thicker board. This is a thicker piece
2 of waferboard, about an inch and a half thick.

3 Conceivably with -- or it has been tried
4 with longer wafers laid down in a mat and all oriented
5 in the same direction and then the panel cut into
6 lumber size. Certainly not the smaller sizes, but 2 x
7 12s, 2 x 14s. Indications are that the strength
8 properties are quite good. The press is 24 feet long,
9 so pieces of lumber could be made 24 feet long of quite
10 large width.

11 MR. CASSIDY: And perhaps we could that
12 mark that sample as Exhibit 10...

13 MADAM CHAIR: 84.

14 MR. CASSIDY: Thank you, Madam Chair. A
15 sample of...

16 Q. What would you call that, Mr. Magee.

17 MR. MAGEE: A. That is a sample of inch
18 and a half waferboard.

19 ---EXHIBIT NO. 1084: Sample of inch and a half
20 waferboard.

21 MR. MARTEL: Mr. Magee, I am the
22 customer, can you tell me why something can't be done
23 to ensure that where legs are put into waferboard the
24 legs don't break off?

25 Do you understand what I'm saying? The

1 base --

2 MR. MAGEE: I think you're talking about
3 particle board, but I will pass on that question.

4 MR. MARTEL: I'm in the wrong product; am
5 I?

6 MR. MAGEE: Yes.

7 MR. FREIDIN: Use those trees in your
8 backyard, Mr. Martel.

9 MR. MARTEL: I can't cut those down.

10 MR. CASSIDY: Q. Mr. Magee, I understand
11 you have some further samples of wafers you wish to
12 provide the Board?

13 MR. MAGEE: A. Yes, I have here some
14 samples of some two inch wafers. I have a sample of
15 some six inch strands and I have an example of some
16 fines, material that is removed in the screening
17 process. This particular example has quite a bit of
18 bark on it.

19 MR. CASSIDY: Perhaps we can file and
20 exhibit the two inches wafers -- a sample of two inch
21 wafers as Exhibit 108...

22 MADAM CHAIR: Five.

23 MR. CASSIDY: Five. And the sample of
24 the strands as Exhibit 1086 and the sample of fines as
25 Exhibit 1087.

1 MR. CASSIDY: (handed)

2 MADAM CHAIR: Thank you.

3 ---EXHIBIT NO. 1085: Sample of two inch waferboard.

4 ---EXHIBIT NO. 1086: Sample of strands.

5 ---EXHIBIT NO. 1087: Sample of fines.

6 MR. CASSIDY: Q. Mr. Magee, what is the
7 species for all three of these?

8 MR. MAGEE: A. The species is aspen/
9 poplar.

10 Q. Thank you. Mr. Magee, I would like
11 to turn to your evidence commencing at page 66 on
12 woodsheds and I would like to ask you to explain to the
13 Board the concept of woodshed that you discussed in
14 your evidence?

15 MR. MAGEE: A. Yes. A woodshed is the
16 area where a mill uses -- or obtains its particular
17 source of roundwood. I will explain more the woodshed
18 for Grant Forest Products, the waferboard mill -- Grant
19 Forest Products has their waferboard mill in Englehart.

20 It is a large complex. It uses
21 approximately 850,000 cubic metres a year. It produces
22 70 per cent of Ontario's waferboard and is the largest
23 complex in the world considering it has two lines.

24 Q. How many employees work in that
25 facility?

1 A. About 280 employees.

2 Q. And could you describe the factors
3 that determine a woodshed?

4 A. Yes. The woodshed have many factors
5 influencing the size of it, mainly it's limited by the
6 the cost of the wood or what the mill can afford to pay
7 for the wood. There are many factors, again, affecting
8 the cost of wood, mainly transportation is the big one,
9 geography in the woodshed itself is an important part.
10 There may be large bodies of water.

11 We do have one in the Grant woodshed in
12 the Abitibi Lake and river system where we are cutting
13 to the south of it now. There is wood just a mile or
14 so across, but to get at it takes a lot more travelling
15 for the trucks conceivably, and \$3.00 or \$4.00 a tonne
16 to be hauled, plus a little bit extra for the cutting
17 because it is in a remote spot, more difficult to
18 obtain access. Certainly in Thunder Bay here there is
19 a waterbody that influences the woodshed as well.

20 Physical features and the geography of
21 highways. Highway 11, the wood flows very freely along
22 Highway 11 and the highway going from Englehart to the
23 west is not a good highway. So wood comes north and
24 south cheaper than it does from the the west and to the
25 east we have the Quebec border, approximately 20 miles

1 away.

2 Q. Do market conditions impact on a
3 woodshed?

4 A. Yes, market conditions affects the
5 woodshed to the amount that when the product is selling
6 good you have a little more money to go after your more
7 expensive wood.

8 When times are tough and the mill wants
9 to still pay down its debt and keep in business, there
10 is a tendency to keep the woodshed smaller and usually
11 develop a cut that's closer in and any private wood
12 which would have been able to accumulate, but in the
13 system when times are tough generally the private wood
14 for us is closer wood.

15 Q. And are there unforeseen
16 circumstances that can change a woodshed?

17 A. Yes. Certainly for Grant, unforeseen
18 circumstances was the fire in January of this year and
19 it had to back off on some of the fire purchases just
20 because we had too much wood in the system.

21 Q. And I understand you wish to
22 demonstrate that change in woodshed by reference to a
23 map that you have.

24 MR. CASSIDY: This is a map of the area
25 of the undertaking, Madam Chair. There have been

1 several maps filed previously of the area of the
2 undertaking, but Mr. Magee is referring to drawings
3 that he has made on this particular map so I suggest
4 that we file this as a new exhibit which will be
5 Exhibit 108...

6 MADAM CHAIR: Eight.

7 MR. CASSIDY: Eight. Map of the area of
8 the undertaking describing Grant Forest Products
9 woodsheds.

10 ---EXHIBIT NO. 1088: Map of the area of the
11 undertaking describing Grant
Forest Products woodsheds.

12 MR. CASSIDY: And perhaps you can
13 describe what the various lines mean and how that
14 relates to your earlier evidence?

15 MR. MAGEE: A. Yes. The Grant mill is
16 where the "x" is here in Englehart, Ontario. Before
17 the expansion in 1988, the original woodshed of Grant
18 was essentially the Kirkland Lake District and the
19 Latchford unit in Temagami, plus some wood from the
20 Gogama District. At the time of the expansion the wood
21 supply area was increased and the woodshed turned into
22 the orange line.

23 Since the fire in 1990 of this year,
24 January, the mill is still operating on the old line,
25 so the capacity has been reduced. They expect to be up

1 and running again with a new line by mid to late
2 summer. As a consequence for now, of which it has
3 reduced, we are not going to be aggressively searching
4 some of the far out wood and some of the wood that's in
5 the other woodshed. We will probably not take the
6 maximum wood we could take from them, but we will keep
7 them alive in second gear, so to speak, so they are
8 there when we need the additional wood in the fall.

9 Q. All right. Does that cover all the
10 woodsheds?

11 A. I would like to point out that in the
12 woodshed area there are many other users. There are
13 about six large softwood sawmills that take wood from
14 that area, so Grant is not the sole operator in that
15 area by any means.

16 Much of Grant's wood comes from other
17 people's cuttings and Grant, of course, cuts everything
18 as they go and the softwood is sold or exchanged to
19 sawmills or pulp mills. There is quite an
20 inter-dependence on one of another.

21 Certainly as Grant is not cutting as
22 much, some of the other softwood mills are concerned
23 about the conifer component that we have always freed
24 up and sold to them and they are having to make
25 arrangements to cut a little heavier in spring in their

1 own areas.

2 Flexibility there is not bad. We pull
3 from eight different Crown units, four FMAs and one
4 company unit and thank goodness all the plans don't
5 come due at the same time, so there is a bit of
6 flexibility in storing wood and -- or waiting for one
7 plan to come new and then we can start all over again
8 on it.

9 Q. When you say you pull from eight
10 different areas, could you just explain to the Board
11 what you mean by that?

12 A. Pull, I guess, is the slang for
13 received wood that has been cut in eight different
14 Crown management units.

15 Q. And just to complete your evidence,
16 could you summarize the impact of those changes in
17 terms of your concerns regarding that planning?

18 A. We feel the planning needs a great
19 deal of flexibility to be able to accomplish or
20 accommodate the mill to go through such things as this
21 fire or possible - which we are experiencing right now
22 in one unit - delay in getting work permits going.
23 Because of the first of the year we need the
24 flexibility to be able to cut on other units and
25 perhaps at a higher rate than we had originally

1 intended.

2 MADAM CHAIR: Excuse me, Mr. Magee. Is
3 Grant responsible for doing -- being involved in timber
4 management plans for those eight different units?

5 MR. MAGEE: Certainly we go to all the
6 open houses. Just recently in this new round of
7 management plans that are coming up, I am involved
8 directly in the Shining Tree unit on the -- not
9 specifically a member of the planning team, but invited
10 to the meeting as an advisor on the Shining Tree
11 Management Unit.

12 And I hope that as the other management
13 plans come on line and they start forming planning
14 teams, that members of our company do get a chance to
15 participate.

16 MR. CASSIDY: Thank you, Mr. Magee.

17 MADAM CHAIR: I am just a bit confused.
18 Is Grant forest a signatory to any of the four FMAs?

19 MR. MAGEE: Excuse me?

20 MADAM CHAIR: Is Grant forest a signatory
21 to any of the four FMAs?

22 MR. MAGEE: No, we receive wood from four
23 FMAs but we are not ourself an FMA company.

24 MR. MARTEL: You are primarily involved
25 in the purchasing then with the four FMAs and the eight

1 Crown units?

2 MR. MAGEE: Yes, we wish -- the
3 principals in the company wish they had a little more
4 secure wood supply. In round figures, Mr. Martel, a
5 third of the wood is cut by Grant and Grant's own
6 licenses, and then there is other wood quite secure
7 from the FMA, but a large amount of the wood is
8 purchased from other Crown operators.

9 MR. CASSIDY: That completes Mr. Magee's
10 evidence, Madam Chair.

11 I propose we then move on to Appendix C
12 and that is the evidence provided by Mr. Pryke and Ms.
13 Imada and that can be found at page 73 of the wood
14 supply witness statement, Exhibit 1072, and it is
15 titled: The Influence of Markets and Technology on the
16 Raw Material Requirements of the Ontario Pulp and Paper
17 Industry.

18 And I would like to begin with Mr. Pryke
19 and Mr. Pryke will have some overheads which are found
20 in the body of the witness statement.

21 Q. I would like to ask you to commence,
22 Mr. Pryke, and indicate -- summarize the evidence from
23 pages 74 through 81 of your evidence on the state of
24 the wood supply to Ontario's pulp and paper mills?

25 MR. PRYKE: A. Thank you, Mr. Cassidy.

1 I would like to start just to respond to an
2 interrogatory first which I think is No. 11 in the
3 group that you were given this morning.

4 MR. CASSIDY: That's page 11 of Exhibit
5 1073, an interrogatory filed with respect to this
6 witness statement by the Ministry of Natural Resources,
7 their No. 6, Madam Chair.

8 MADAM CHAIR: Thank you.

9 MR. PRYKE: Just to note, in the remarks
10 that I will make the term wood requirements should be
11 substituted. Where I'm talking about wood supply, I'm
12 talking about wood requirements for the mills rather
13 than wood supply in a broad sense.

14 To start first, the wood supply in
15 Ontario pulp and paper mills has been increasing over
16 the last number of years, particularly in response to
17 world-wide demand and domestic demand to pulp and paper
18 products. And this can be shown best in Figure 3, page
19 76 that Mr. Virgo is putting up on the overhead.

20 What it shows is the consumption growth
21 of paper and board use in North America, western Europe
22 and the world over the period 1960 to 1980, and you
23 will note that in all three categories it has been
24 increasing on a slow and steady pace. Material was
25 presented by Mr. Duncanson I think in Panel 5 that

1 showed similar trends and that those trends are
2 expected to continue certainly into the near future.

3 The wood requirements for Ontario mills
4 have been responding to this and this can be shown in
5 Figure 1 on page 75 of the evidence statement and the
6 Board may want to direct their attention to the
7 overhead in this case. I have made it a little bit
8 more easy to see than the copy that you may have in
9 front of you.

10 Just to show two things -- well, there is
11 a number of things on this overhead. One is that you
12 will see a generally increasing wood requirement to the
13 Ontario pulp and paper mills which had a decrease in
14 1975 due to a labour dispute, was one of the
15 interruptions in it, and a slow progressive increase
16 and also in 1982 as a result of the recession.

17 This particular overhead shows the two
18 components of that wood supply. One being roundwood to
19 pulp and paper mills and the other being, in this case,
20 sawmill residuals, chips, much similar to the ones that
21 Mr. Atkinson showed earlier.

22 MR. FREIDIN: I'm sorry, which is the
23 roundwood?

24 MR. PRYKE: The roundwood is the --

25 MR. FREIDIN: Solid or...

1 MR. PRYKE: No. The roundwood is the
2 slashed one.

3 MR. FREIDIN: Thank you.

4 MR. PRYKE: I can't see it quite as well
5 from here and the solid one is the sawmill residuals.
6 I can expand a little bit better by the next slide
7 which shows the sawmill residuals.

8 If you could put the next slide up.

9 MR. MARTEL: On the figure, if I might
10 just ask, in our book, in the exhibit, there seems to
11 be a very dark area at the bottom portions of those, I
12 don't know if that's accidental, but they seem to be
13 out of whack in terms of the size of those that were on
14 the overhead. And I don't if that - above the dark
15 mark -- put the other one back up.

16 MR. CASSIDY: The photocopying I think is
17 our villain there, Mr. Martel, and we will provide you
18 with a hard copy which shows the difference in colours
19 which did not turn out on this one particularly well.

20 MR. MARTEL: I guess I am just asking,
21 Mr. Cassidy, if that's an error in the one in the
22 exhibit because the dark marks, the solid area for
23 roundwood, if one looks at 1966, wouldn't appear to be
24 more than half inch and then you start to see what
25 appears to be a slash of some description.

1 MR. PRYKE: Perhaps I can look at your
2 copy, if that's okay.

3 MR. MARTEL: Sure.

4 MR. PRYKE: If we look back to this one
5 here, what I have done is reproduced the same curve,
6 same information with better visuals. It is best to
7 look at this one.

8 MR. MARTEL: Ignore this one then.

9 MR. CASSIDY: We will have copies made of
10 this or else we are going to get a coloured copy or...

11 MR. PRYKE: I think I was moving to the
12 next slide which just shows the increasing utilization
13 of sawmill residuals over the last 20 years.

14 This is now Figure 2 on page 75 and it
15 shows this increase from about 10 per cent in 1966 to
16 close to 30 per cent by 1986 and this is mostly due to
17 the use of the kind of sawmill chips that Mr. Atkinson
18 showed in his evidence statement and is a good example
19 of using a -- what would have been a lower value
20 product from a sawmill in the 1960s and converting it
21 into a much higher value product in pulp and paper,
22 particularly in this case kraft pulp.

23 In addition, one other component that is
24 important to look at is the increasing use of poplar
25 for pulp and paper in Ontario. And the next slide,

1 which is now Figure 4 on page 76, just shows that that
2 poplar has been increasingly used particularly since
3 the mid-1980s mostly for producing bleached hardwood
4 kraft pulp for the manufacture of fine paper.

5 Q. And in reference to the production
6 statistics which are contained on pages 77 through 81,
7 can you summarize those briefly for the benefit of the
8 Board?

9 A. Yes. These pages 77 through 81 are
10 more or less a breakdown of some of the figures that we
11 have shown.

12 If we start with Figure 5 on page 78 you
13 will see that the wood pulp production in Ontario has
14 followed the wood supply in very similar trends
15 starting at about 35 -- or sorry, 3.5-million tonnes in
16 1970 leading up to about a little over 4-million,
17 4.2-million in 1986, interrupted again as you'll see in
18 1975 by the labour dispute and in 1982 by the
19 recession.

20 Figure 6 just shows how that --

21 Q. And that can be found on page 79?

22 A. Page 79 shows the different methods
23 of producing that wood pulp. You will see there is
24 four different methods that are covered in this curve.
25 Groundwood, which is the GWD, sulphite pulping process,

1 the kraft process; thermomechanical pulping.

2 What you will note is that the kraft
3 component has been increasing over the last 15 years,
4 the sulphite process has been decreasing, as has the
5 groundwood process, and the TMP, thermomechanical
6 pulping process has been increasing.

7 So there is a shift in technology in
8 producing the pulps for the different pulp and paper
9 products that are produced in Ontario.

10 MR. FREIDIN: And again, just because we
11 don't have the colours, which of the diagrams -- the
12 little triangles is TMP and which one is sulphite.

13 MR. PRYKE: TMP is the one that starts on
14 the lower part of the curve.

15 MR. FREIDIN: Thank you.

16 MR. PRYKE: And increases as we get into
17 1982, '83, '84.

18 MR. CASSIDY: Now, I would like to turn
19 to Ms. Imada and Section 4 of this evidence, Madam
20 Chair, which commences at page 82. And Ms. Imada
21 intends to give this evidence by way of slides and, as
22 a result, I would ask Mr. Dadds to kill the lights.

23 And this evidence, Madam Chair, relates
24 to species characteristics and their importance in pulp
25 and paper making.

1 Q. And, Ms. Imada, I was going to
2 commence by asking you to explain the importance of
3 species characteristics. And I understand you do wish
4 to refer to some slides.

5 Before you do, can you confirm for me
6 you're a research scientist with Abitibi-Price?

7 MS. IMADA: A. Yes, that's right.

8 Q. Thank you.

9 A. Well, basically, Mr. Cassidy, wood is
10 of biological origin and it's a highly variable
11 material, it varies both physically and chemically in
12 its properties and some of this variability can be
13 attributed to species.

14 And what I would like to do for the
15 Board's benefit is elaborate on some of the species
16 difference that we discuss in the evidence beginning on
17 page 82. If I could have the first slide.

18 MR. CASSIDY: Madam Chair, I have copies
19 of these slides that Ms. Imada will be talking about in
20 this evidence. Just bear with me, I will pass these
21 out.

22 MADAM CHAIR: Do you want to make them an
23 exhibit, Mr. Cassidy.

24 MR. CASSIDY: We might as well, Madam
25 Chair, for the purposes of the record.

1 MADAM CHAIR: Exhibit 1089.

2 MR. CASSIDY: And that would be an
3 overhead of various types of wood.

4 MS. IMADA: Sounds good.

5 ---EXHIBIT NO. 1089: Hard copy of slide depicting
6 various types of wood.

7 MS. IMADA: What this first overhead is
8 listing is a number of categories of wood, if you will,
9 and I really have it up here just to illustrate that
10 wood is wood is wood. There are a lot of differences.

11 I don't intend to discuss all of the ones
12 I have up here. What I will be going into is
13 discussing the differences between hardwoods and
14 softwoods and the species within these two categories.

15 I am sure all of you are aware, just to
16 make sure of it, hardwood and softwood does not refer
17 to the actual hardness of the wood, what we are talking
18 about, hardwoods are woods or the trees of deciduous
19 species like maple, aspen and softwood is the wood that
20 you would get from the conifers like pine or fir.

21 If I could go to the next slide. You
22 might -- I don't know how well you can see this. I
23 don't know if you want to go darker or not.

24 What we have here is in the top part of
25 Figure 10 on page 84 of the evidence package, and

1 what...

2 ---Discussion off the record

3 MS. IMADA: What we have here are two
4 pieces of wood and these are softwoods. The left-hand
5 side is a piece of red pine and the one on the right is
6 a piece of white pine.

7 This top surface of what you are looking
8 at is what you would see if you looked at a disk of
9 wood at a higher magnification, so that you can
10 actually see the individual cells and that is what all
11 these holes are, those are the empty dead cells which I
12 talk about in the evidence package.

13 They are elongated cells that are
14 oriented up and down the way the tree grows and there
15 is really nothing left to them except for their cell
16 walls.

17 On this left-hand piece of red pine on
18 the top surface there is sort of two diagonal lines and
19 what those lines are doing is defining an annual ring
20 for you. So this part of the figure is really one
21 annual ring or one growth ring in a piece of wood.

22 MR. CASSIDY: Q. You are referring
23 essentially to the centre portion of the left-hand side
24 of the red pine on Figure 10?

25 MS. IMADA: A. That's right. Now,

1 although these are both pines then you might therefore
2 suspect that they would probably look quite a lot alike
3 anatomically. In actual fact most softwoods -- in
4 fact, all softwoods have this basic structure and the
5 fact is that 90 to 95 per cent of the volume of wood is
6 made up of these longitudinal tracheids and there is
7 very little else in the wood.

8 These tracheids in the tree serve both
9 the purposes of conduction of water and the element of
10 support, actually holds that tree up.

11 Q. What is a tracheid?

12 A. A tracheid is this elongated cell in
13 a softwood.

14 Q. Okay.

15 A. And this is the cell that we are
16 using to make our papers from.

17 The one feature that will help
18 distinguish somewhat between the different softwoods is
19 sort of shown here if you know what you are looking for
20 on this.

21 On the right-hand side the white pine,
22 this is sort of indicative of what spruce would look
23 like too. As we move through a growth ring which would
24 have started here, there is sort of a gradual reduction
25 in size of cells and they get a little bit thicker

1 wall, but there really isn't -- you can't really draw a
2 line that's to say when all of a sudden there is a
3 difference in what those cells look like.

4 On the red pine however these cells are
5 getting smaller -- you know, they are quite large and
6 they tend to get smaller but all of a sudden there is a
7 zone, quite a sharp zone where we have some sort of
8 smaller cells which are quite thicker -- a thicker
9 wall. These two sections of an annual ring are
10 referred to often as early wood and late wood or spring
11 wood and summer wood and the prominence of this band
12 can have significant effects on how that wood will
13 respond to processing.

14 Before I move on to show you the picture
15 of the hardwoods, I would like to refer to some
16 evidence that was given on day 41 of this hearing and
17 you can find it on I think page 6923 of the
18 transcripts.

19 Q. 'Sorry, what was that page reference
20 again?

21 A. 6923. And the discussion was I
22 believe cross-examination by Mr. Campbell of Mr.
23 Duncanson, and the question was whether there were any
24 advantages or particular advantages or disadvantages of
25 the woods that are characteristic of the area of the

1 undertaking.

2 And what was not mentioned in the
3 discussion is exactly what you are seeing here, the
4 long fibers, which we have in our northern softwoods,
5 and this very uniform gradual even texture which is
6 characteristic of our northern spruce is a very highly
7 valued feature for our woods and our black spruce is
8 termed -- we refer to it as high quality wood compared
9 to, for instance, the southern pines which are not
10 perceived as being as high in value because of their
11 different structure.

12 And the difference is that in the
13 southern pines this late wood band, for instance, is
14 really prominent and there is quite a bit of it and it
15 makes for some more difficult processing.

16 This slide is showing the bottom half of
17 Figure 10 on page 84. What I am showing you are three
18 hardwoods. On the left is a yellow birch, in the
19 centre red oak, and on the right-hand side aspen and I
20 think when you look at this picture it becomes
21 immediately obvious to you that we have a much more
22 diverse structure within the softwoods and it's much
23 more complex. When looking between the species you see
24 all kinds of different things, certainly not the
25 uniformity that we saw in the softwoods.

1 I refer to the softwoods being made up
2 primarily of one-cell type longitudinal tracheids.
3 Hardwoods however have three basic cell types, the
4 vessel elements which are forming these large holes or
5 pores that you see in all three species, and these are
6 the elements that are responsible for water conduction
7 in the trees.

8 The fibers, which for this yellow birch
9 are really forming the bulk of the matrix of the rest
10 of the wood, all these other things in here are the
11 fibers and they are actually quite a bit smaller in
12 diameter than the ones you were seeing for the
13 softwoods.

14 Now, in hardwoods these fibers form only
15 between let's say 55 per cent to maybe up to 75 per
16 cent of the wood and, for instance, in aspen it's at
17 the low end, you are only talking about 55 per cent of
18 that volume of wood is actually elongated cells called
19 fibers which we could use for paper -- which have value
20 for papermaking purposes.

21 There is one other cell element in the
22 hardwoods that I didn't really refer to in softwoods,
23 although it is there, and that is the ray cells. The
24 rays make up only about five per cent of the softwoods.

25 Q. Did you say ray cells?

1 A. Ray.

2 Q. Could you spell that for the benefit
3 of the reporter?

4 A. R-a-y, ray. When you look at a disk
5 of wood and you can see lines emanating out from the
6 centre out to the -- from the centre of the tree out
7 towards the bark those are the rays you are seeing.

8 And they run perpendicular -- they are
9 running this way, they are running perpendicular to the
10 growth rings. They are these lines that you are sort
11 of seeing here.

12 Q. You are referring to the lower
13 left-hand portion of Figure 10?

14 A. That's right. There are some lines
15 that are running perpendicular to the growth ring
16 inbetween the fibers and vessel elements and actually
17 you can see it on the radial surface of that side.
18 There is actually some cells that are oriented
19 perpendicular to the fibers. And they can form quite a
20 significant portion of hardwoods also and they really
21 do not contribute anything to papermaking, in fact they
22 can be a problem because of their linting and dusting
23 tendencies as the vessel elements can also be.

24 These two slides I have just shown you, I
25 have sort of indicated to you the basic structural

1 difference between softwoods and hardwoods. The one
2 thing which you can't see clearly here - and I will
3 show you on the next slide - is the actual difference
4 in length between these fibers or tracheids.

5 Q. All right. And if I can just
6 interrupt, I have copies of this for the Board and
7 perhaps you can explain how this relates to Figure 11,
8 Ms. Imada.

9 A. Yes. Figure 11 I have drawn the
10 various cell types, or is a drawing of the various cell
11 types we have just seen in these softwoods and
12 hardwoods, however, the length of the softwood
13 tracheids is such that to get it on the page I had to
14 cut it.

15 Q. I'm sorry, Ms. Imada. Could you take
16 that from the top again.

17 MR. CASSIDY: And perhaps we should have
18 this marked as an exhibit.

19 MADAM CHAIR: Exhibit 1090.

20 MR. CASSIDY: Q. And what would you call
21 it, Ms. Imada?

22 MS. IMADA: A. Papermaking fibers from
23 softwoods and hardwoods.

24 ---EXHIBIT NO. 1090: Hard copy of slide depicting
25 papermaking fibers from hardwoods
and softwoods.

1
2 MS. IMADA: In Figure 11 there is a
3 drawing which I am going to show in a minute, it's a
4 drawing of the different cell types that I have just
5 talked about in the softwoods and hardwoods, however
6 because of the actual length of the softwood fibers or
7 tracheids, to get it on to the picture in Figure 11 I
8 had to chop them in half. So what I wanted here was to
9 show you a scale drawing of how the two sizes of fibers
10 relate to one another.

11 MR. CASSIDY: Figure 11 can be found on
12 page 85 of the witness statement.

13 MS. IMADA: The long cellular element you
14 are seeing is the longitudinal tracheids from the
15 softwoods.

16 MR. CASSIDY: Q. And that is on the left
17 of this exhibit?

18 MS. IMADA: A. At least the way I have
19 the slide oriented here. It depends on how you look at
20 the paper you have.

21 The shorter element is the fiber you
22 would find in the hardwood and actually this thing is
23 drawn to scale in terms of length and width and it
24 might be representative of a 3.5 millimetre fiber you
25 would obtain from pine or spruce compared to 1 to 1.2

1 millimetre fiber that you might find in poplar.

2 Now, this is actually Figure 11 which is
3 on page 85 of the evidence and it's a drawing of the
4 different cell types.

5 On the right-hand side are the softwood
6 cell types which I have, the tracheids of papermaking
7 fibers of the softwoods, and the small elements beside
8 these long elements are the ray cells.

9 The rest of the figure illustrates
10 hardwood fiber types. These are the fibers we were
11 just talking about on the left-hand side of the
12 picture -- extreme left-hand side. These large
13 elements in the centre are the vessel elements that I
14 talked about in terms of water conduction in the tree.

15 And in terms of scaling of the relative
16 size they are very variable. You will remember from
17 that earlier photograph of actual wood the pores were
18 very large in diameter to very tiny in diameter and so
19 in some instances this might be only the diameter of
20 this, but in some instances the vessel could actually
21 be 50 times the diameter of the fiber; lengthwise also,
22 they would be -- they never really are any longer than
23 a fiber but they can approach the length of the fiber
24 and they may be as short as a quarter the length of the
25 fiber.

1 And these elements -- the vessel elements
2 and the little tiny ray cells, when you pulp the
3 material and it can cause problems in linting which I
4 will be talking about a little later.

5 I think we will just leave this one up
6 and I am going to sit down. Now, the different cell
7 types or in the different species we are going to see
8 different proportions of these different cell types and
9 the actual dimensions of those cells are going to
10 change; dimensions like length, diameter and wall
11 thickness, and in the evidence package Table 1 on page
12 86, I present some limited data with respect to these
13 dimensions for some different species.

14 And, as I say, on page 83 it's these
15 physical properties of the wood that ultimately affect
16 its processing and the type of pulp quality you get
17 from the different woods.

18 And generally hardwood pulp, no matter
19 how you make it, will be weaker than softwood pulp and
20 this comes as a result of the shorter fibers that we
21 find in the hardwoods; they are of less compressible
22 nature and the presence of these other cell types, the
23 rays and vessels, which can be quite high in number
24 which contribute little to the bonding strength of the
25 wood -- of the pulp.

1 If we were to look in terms of one
2 particular group like the softwoods, generally we can
3 expect that those species which have the longer cell --
4 longer fibers and the thinner walled fibers are going
5 to produce higher, stronger and better quality pulps.

6 Now, this addresses some of the physical
7 differences between the species but in our evidence I
8 also refer to chemical differences. And wood is
9 basically made up of four main chemical groups, these
10 are lignin, cellulose, hemicellulose and extractives.

11 Now, the first three are structural
12 components and those are the things that go together to
13 actually build the cell walls that form these cells
14 that you see on the screen. And while there are
15 species to species differences for these chemical
16 classes, they really aren't of a great deal
17 significance for us right now. What is really
18 important is the difference in extractives which can
19 vary quite a bit from species to species.

20 And extractives are extraneous components
21 that are found generally in the ray cells and they can
22 have a significant impact on how you are going to
23 process that species, how much pitch is going to crop
24 up in our pulp and paper mill, the actual strength of
25 the pulp and the colour of the pulp and its brightness

1 and what you might find in your mill effluent for
2 instance.

3 Q. Ms. Imada, if I could just ask you to
4 give the Board a page reference where they might find
5 the discussion of the chemical properties.

6 A. 83. I can give you an example of
7 this. In the hard pines such as jack pine there are
8 materials in the hardwood portion of the log various
9 phenolics and, in particular, things called pinosilvan
10 and pinosilvan monoethylether which prevent its
11 utilization in acid sulphite pulping.

12 And what you end up getting is a reaction
13 in the pulp, the chemicals there, that form an
14 insoluble product which will come out in your paper
15 machines and cause a lot of operational problems and
16 can also cause you to get some very funny colours in
17 the pulps you produce. And generally, therefore, you
18 definitely do not want to see any jack pine going into
19 a process which is using acid sulphite.

20 The next couple of slides sort of make a
21 further comparison of properties of, in this instance -
22 could I have the next one - of spruce versus pine, and
23 what it might mean for how you might process it.

24 MR. CASSIDY: I have a hard copy of this
25 overhead which we could provide as Exhibit 1091, I

1 believe. Is that correct, Madam Chair?

2 MADAM CHAIR: Yes, that's correct.

3 MR. CASSIDY: (handed)

4 ---EXHIBIT NO. 1091: Hard copy of slide depicting
5 property differences between
6 spruce and pine.

7 MS. IMADA: On this slide I am listing
8 some general property differences between spruce and
9 pine. The first point is that spruce is much more even
10 in texture and by here I am referring to the early wood
11 and late wood differences that I mentioned quite a bit
12 earlier.

13 Pine generally has a higher specific
14 gravity, by this I mean density to weight per unit
15 volume. Pine is generally higher in pitch and pitch is
16 a word we often use for extractive content. The
17 specific rapidity -- the higher specific rapidity of
18 the pine is coming from its thicker walled fibers.

19 MR. CASSIDY: Q. And as Ms. Imada
20 indicated, the specific gravity table can be found at
21 page 86.

22 A. Fiber lengthwise there isn't a --
23 really depends on how you make your comparison. I
24 haven't gone into the actual instances of variability.
25 All these properties vary quite significantly even
within a tree and depending on how you compare you

1 might in some instances come up with that spruce is
2 longer than pine and pine is longer than spruce, but
3 actually the type of fiber that is produced at
4 maturity, so let's say 40 years, okay, will be
5 producing fibers generally of equal length in the two
6 species.

7 There are some other morphological
8 differences which relate to actually the structure of
9 the cell wall. There are multiple sort of sublayers in
10 the walls and some people have found that the one
11 particular wall referred to as the S1 layer happens to
12 be thicker in pine and there are also suggestions that
13 the cell wall packing density is higher in pine.

14 If we can move to the next slide.

15 MR. CASSIDY: And I can provide a copy of
16 that overhead which would be Exhibit 1092. Indications
17 of Species Differences for Processing. (handed)

18 ---EXHIBIT NO. 1092: Hard copy of slide depicting
19 Indications of Species
Differences for Processing.

20 MR. CASSIDY: Q. Go ahead.

21 MS. IMADA: A. What some of these wood
22 property differences means when you process these two
23 species is that the higher extractives we find in
24 pine -- I mentioned extractives will affect the
25 bondability among other things; hence, what they do is

1 they reduce the bonding. So you get the weaker pulp
2 from pine just because of the presence of the
3 extractives.

4 The way wood breaks apart in the
5 mechanical pulping is that it's subjective to alternate
6 compressive and decompressive forces, but when you have
7 a higher specific gravity material it doesn't absorb
8 the energy through this compression/decompression in
9 the same way that lower specific gravity material does
10 and it tends to break in a very brittle way and you end
11 up getting some small fragments that really don't have
12 any developed -- that has been broken off from wood.

13 Those aspects that I mentioned with
14 respect to how the cell wall is actually built up in
15 these two species with respect to the layer -- the
16 thickness of the S1 layer for instance affects ease of
17 refining in that for you to be able to rip off this S1
18 layer you have to put a lot more energy into the
19 process.

20 But ultimately what happens, you put the
21 more energy in it still really doesn't break in a very
22 nice mode and you don't get -- for a given type of
23 processing you will not get the same quality from the
24 pine as you wood from the spruce.

25 So to summarize, what I have tried to

1 illustrate is that there are some very significant
2 physical and chemical differences between the woods,
3 the different species and this, therefore, determines
4 what processes you might use for those species and the
5 types and quality of product you can get from them and,
6 conversely, to have for a given mill and to ensure its
7 continuing efficient profitable operation it has
8 certain processes that it's going to require, certain
9 species to feed it.

10 MR. CASSIDY: Right. I would like to
11 turn you then to Section 5 of the witness statement at
12 page 87, Madam Chair.

13 Q. And ask you how this summary you have
14 just given of your evidence and species requirements
15 relates to newsprint problems here in the province?

16 MS. IMADA: A. Well, basically as it
17 says, as we have in the evidence package on page 88,
18 newsprint is made traditionally from a mixture of
19 mechanical pulps like stone groundwood or refiner pulp
20 like thermomechanical pulp which we refer to as TMP and
21 chemical pulps.

22 The bulk of the paper is made from
23 mechanical pulp. This is generally quite weak in
24 nature, so the chemical pulp is added as a reinforcing
25 agent which enables the paper web to get out -- down

1 through the paper machine and off the rail at the end
2 and through the printing processes.

3 And, as Mr. Pryke alluded to in one of
4 his earlier graphs, he showed a graph showing the
5 transition moving from stone groundwood to TMP and the
6 reduction in sulphite and increasing in kraft.

7 And perhaps I can refer to an
8 interrogatory we received from Forests for Tomorrow,
9 it's Question No. 1 and it's on page 12 and 13 of
10 Exhibit 1073.

11 Q. Exhibit 1073.

12 A. And part of the question was asking:
13 How do the following items affect the wood requirements
14 of mills. And they asked about this decrease in
15 groundwood, the sulphite pulping, and the increase in
16 thermomechanical and kraft pulping.

17 And basically what it meant was, was
18 stone groundwood process require the use of roundwood,
19 the thermomechanical process does not, we use sawmill
20 residuals. And as there has been an increase in the
21 thermomechanical process relative to the sulphite
22 process we have been able to use more sawmill residuals
23 or chips ultimately.

24 The move from stone groundwood to
25 thermomechanical pulping has also meant that the

1 mechanical pulp we are producing is of a better
2 strength, higher in strength. This really means that
3 we need less of a reinforcing pulp to make the paper
4 and reinforcing pulp has generally been of rather low
5 yield. So if you are to replace some of the low yield
6 pulp with the higher yield and thermomechanical pulp,
7 ultimately when we are making a given quantity of paper
8 we are actually using less volume of material to do so.

9 Now, if I can really get back to my
10 question, Mr. Cassidy. It was realizing that we are
11 basically using a mechanical process, the mechanical
12 process tends to rip the fibers out of the wood and you
13 do a lot of physical damage; hence -- and you are
14 shortening the fibers and we want long fibers, so we
15 prefer not to put hardwood -- you really cannot put
16 hardwoods into the process because there is too much
17 chopping, you lose too much length, so we refer to use
18 the softwood. We need the fiber length there.

19 MADAM CHAIR: Excuse me, Ms. Imada. I
20 think we will break for lunch now, and when we come
21 back could we start again with page 12 on Exhibit 1073?
22 I missed some of your points on the different
23 processes.

24 MS. IMADA: All right.

25 MADAM CHAIR: Thank you very much.

1 MR. CASSIDY: And that will be until...?

2 MADAM CHAIR: 1:30.

3 MR. CASSIDY: Thank you, Madam Chair.

4 MR. LINDGREN: Madam Chair, before we do
5 break, I can advise that there are some exhibits that
6 the parties and the Board should have with them.

7 Upon our return the parties and the Board
8 will require copies of Exhibit 16, the Baskerville
9 Report, Exhibit 534A, Exhibit 108 --

10 MR. FREIDIN: What is 534A?

11 MR. LINDGREN: Mr. Hynard's graph.
12 Exhibit 108, Exhibit 125, Exhibit 116, and Exhibit 93.

13 I may not necessarily refer to all of
14 them, but I think that they should be made available to
15 the Board and the parties.

16 And as well I may be referring to Volume
17 165 and Volume 28 of the transcript.

18 ---Luncheon recess taken at 12:05 p.m.

19 ---On resuming at 1:30 p.m.

20 MADAM CHAIR: Please be seated.

21 MR. CASSIDY: Madam Chair, as I
22 understand it, we were going to go back and ask Ms.
23 Imada to go over the evidence in respect of the
24 interrogatories filed by Forests for Tomorrow and I
25 will just leave it to Ms. Imada...

1 MS. IMADA: Madam Chair, before we broke
2 for lunch I was talking about the pulps and the quality
3 of wood required for the newsprint manufacturer, and in
4 the discussion of the interrogatories from Forests for
5 Tomorrow I was speaking specifically to their question
6 about how the decrease in groundwood and sulphite
7 pulping and increase in thermomechanical and kraft
8 pulping affect the wood requirements of mills and to
9 briefly repeat, groundwood, the stone groundwood
10 process required groundwood; that is, solid logs.

11 When we move to thermomechanical pulping,
12 we were able to use chips because the thermomechanical
13 process uses chips. So if a company has process in
14 place they may, in fact, buy chips by sawmill residuals
15 or they might in fact produce their open chips
16 in-house, too.

17 The other aspect of moving from stone
18 groundwood to thermomechanical pulp is that the refiner
19 mechanical pulp is a stronger pulp than the groundwood.
20 And I mentioned earlier that generally newsprint is
21 made from a mixture of mechanical pulps and some sort
22 of reinforcing chemical pulp; hence, if we have a
23 stronger mechanical pulp we ultimately need less of the
24 chemical reinforcing pulp and the chemical reinforcing
25 pulp is generally a lower yield pulp than a mechanical

1 pulp, so if we replace the lower yield pulp by a higher
2 yield pulp, then we ultimately need less raw material
3 to give the same given amount of paper.

4 The other aspect of that question is with
5 respect to the change from sulphite to kraft and one of
6 the important things in that is that the kraft process
7 tolerates a wider range of species, and I spoke earlier
8 about the inability of sulphite process -- the acid
9 sulphite process to use pine.

10 And also, generally what happened with
11 the mills that were using stone groundwood, they were
12 often producing their own sulphite in-house and as they
13 move to TPM they required less material and they
14 wouldn't -- often they would shut down their sulphite
15 mills, especially if there was a problem with respect
16 to environment.

17 The sulphite had a generally high
18 discharge and as it mentioned -- in the evidence
19 package we talk about the change in sulphite
20 technologies and there have been a great number of
21 changes in terms of the chemicals that had used and the
22 process in terms of giving us higher and higher yield
23 of sulphite pulp and that's on page 88 of the evidence
24 package.

25 So if I can refer back to the type of

1 wood we would want in the newsprint production,
2 mechanical pulp is a mechanical process and you would
3 damage the fibers as you rip it out of the wood and you
4 shorten the fiber and we want long fiber to give us the
5 strength that we require; hence, we want to have as
6 long a fiber as possible going into the process and,
7 hence, the desire for the softwoods.

8 Hardwoods are not especially desirable in
9 processes like stone groundwood or thermomechanical,
10 refiner mechanical pulping.

11 Another aspect is we want those woods to
12 be species which tend to be low in extractive content
13 because of the influence of extractives that I
14 mentioned earlier.

15 A number of other requirements come from
16 market demand. On page 87 of our package we address
17 some of these and one of these is the tendency to
18 produce newsprint on the lower basis weight and this
19 means the paper weighs less per unit area. The problem
20 with this is that as you get thinner and thinner --
21 what you are producing basically is thinner paper and
22 then you then have a problem with opacity, but we still
23 have requirements to have high opacity. Opacity refers
24 to when you look at a sheet of paper -- the importance
25 of it is that you can't see the printing on the other

1 side. So when you see your newspaper you want to be
2 reading one side and not the other; hence, we want to
3 have species which tend to give us high opacity and
4 spruce is one of these species.

5 Another aspect is brightness and colour
6 and part of the reason this is so important is because
7 of the printing technology that's going on, what's
8 happening out in the marketplace. What we are seeing
9 is a move from the traditional black and white
10 newspaper like your everyday Globe & Mail, which I have
11 a copy here, to the four-colour version you are seeing
12 in the U.S.A. today and I believe Mr. Duncanson
13 submitted a copy of U.S.A. today as a piece of evidence
14 in Panel 5.

15 And what we are -- the advertisers here,
16 who are really our customers in effect, want to have a
17 certain colour and a certain brightness of their papers
18 to show up what you are looking at to the best possible
19 advantage. So we are looking for pulps which will
20 produce a nice white and bright -- or a bright sheet
21 and spruce -- and in fact we have done some studies,
22 poplar is a very bright species.

23 The other thing I mentioned is the change
24 in printing technologies. We have moved from the
25 traditional -- or we are moving from the traditional

1 letter press process; however, a significant amount of
2 our paper is still -- of the newsprints are still
3 printed with letter press technology into offset
4 processes and these processes make much higher demands
5 on surface strength -- we would require much higher
6 surface strength in our paper and surface strength
7 refers to linting and dusting.

8 What this means is that as you print your
9 paper -- what happens is some lose fibers would be
10 pulled off the top of the surface and they would start
11 to accumulate on your printing plate and then,
12 consequently, you know, the later copies are very poor
13 quality because the image has been blurred by all this
14 linting and dusting.

15 So we want to have species that don't
16 produce a lot of materials that will contribute to
17 linting and dusting, and I mentioned earlier a lot of
18 the ray cells and vessel type elements that you would
19 find in the hardwoods actually will do that, so we try
20 to stay away from that.

21 Another aspects include making a clean
22 sheet and this means not having any dirt or shives or
23 contaminant particles in there because what they will
24 do is in the stresses of the paper machine or the
25 printing press you will end up getting breaks and, of

1 course, decrease your efficiency of your operation and
2 so, hence, we want to have very little bark in our wood
3 supply, not only for the cleanliness of the sheet, but
4 also the influence it has on brightness and little rot.

5 Q. You used the word shive.

6 A. Shive is real -- in mechanical
7 pulping -- in a pulping process what you're trying to
8 do is separate the fibers out from the wood matrix on
9 an individual basis. In mechanical processes sometimes
10 they come out as a chunk, so you will get two to three
11 that sort of come out as a bundle together and that
12 bundle of two to three fibers is termed a shive.

13 Q. Can you spell that?

14 A. S-h-i-v-e.

15 Q. Thank you.

16 A. I'm not saying that we want to have a
17 hundred per cent spruce in there because certainly you
18 can tolerate some other species, but the importance is
19 that whatever you have there has to be uniformity of
20 mix. A process isn't able to live with either working
21 on a hundred per cent spruce one day, a little of that,
22 and then moving to a hundred per cent balsam another
23 day. Whatever the species mix is we want to make sure
24 we have some control over the uniformity of it.

25 So ultimately what is happening is the

1 more stringent demands of the marketplace are asking
2 for higher brightness, smoother and stronger surface
3 strength sheets that have high opacity and this puts
4 limits on the types of wood that can go into the
5 pulping and paper making process.

6 Q. All right. Thank you.

7 MR. CASSIDY: I would like now to turn
8 back now to Mr. Pryke and move on to Section 6 of
9 Appendix C and that can be found on page 92, Madam
10 Chair.

11 Q. And, Mr. Pryke, I would like you to
12 summarize this evidence in terms of the wood supply
13 requirement and raw materials requirements for the
14 kraft pulp industry?

15 MR. PRYKE: A. Thank you, Mr. Cassidy.
16 The majority of the kraft pulp and paper produced in
17 Ontario is used to produce bleached market pulp or
18 convert it to fine paper and these markets are growing,
19 responding to the demands for printing and writing
20 papers and communication papers. Much of the paper
21 that we are using today is bleached craft or fined
22 paper that is produced from a kraft process.

23 In the fine paper production, the
24 softwoods provide much of the strength for the sheet
25 and hardwoods are preferred for their formation

1 properties. The raw material requirements, as Sandy
2 mentioned -- Ms. Imada mentioned is that the kraft
3 process is what you might say more forgiving; that is,
4 more tolerant of species, that is you can make kraft
5 pulp from spruce and from jack pine and from poplar
6 and, in fact, it can be made from sawdust residuals, as
7 Mr. Atkinson showed earlier depending on which grade
8 you are trying to make. In this case, the sawdust and
9 shavings would be turned into a particle liner Board
10 which is what we use for our boxes and cartons.

11 Q. You are referring to the example --

12 A. That is Exhibit 1078, sawdust and
13 shavings. Another important thing to remember is that
14 the kraft pulping process is a chemical based process
15 as opposed to a mechanical based process. In
16 mechanical pulping we are using mechanical energy to
17 separate the fibers and in the kraft pulping process we
18 are using mechanical energy, so to speak, to remove the
19 individual -- to separate the individual fibers from
20 the lignin bonding matrix.

21 The important characteristics for the
22 bleached kraft producer or one of the main ones is to
23 make sure that the wood coming into the mill that the
24 the logs have been well debarked, that this type of
25 material has been removed from the wood. This is

1 Exhibit No. 1079.

2 Q. You are referring to the sample of
3 bark?

4 A. Sample of bark, yes. And the main
5 reason why we want -- there's a couple of reasons why
6 we want to minimize that content. One is that that
7 material is extremely difficult to bleach. If it's in
8 the bleaching process, what you will end up with is a
9 sheet contamination or specks on the sheet.

10 Another reason is, particularly for
11 poplar, is it is rather high in extractive content, as
12 I might have talked about extractives earlier, and
13 extractives can during the bleaching process become
14 pitch particles which can adhere to equipment in the
15 mill and ultimately break off and contaminant the sheet
16 much in the same way as bark would, so we try to
17 minimize the bark content of poplar also.

18 Species is important in the respect that
19 we separate hardwoods from softwoods, is about as a
20 good generic as we need to get. The pulping and
21 bleaching characteristics of hardwoods and softwoods
22 are quit different.

23 Hardwoods are easier to pulp; that is,
24 they require somewhat less chemical requirement to
25 remove the lignin -- to separate the lignin and

1 cellulose fibers and they are somewhat easier to
2 bleach; that is, they require less of bleaching
3 chemicals to produce the same brightness. If we are
4 going to have a process we would want to pulp and
5 bleach hardwoods and softwoods separately.

6 Another important characteristic is the
7 size distribution. As Mr. Atkinson mentioned, these
8 chips are screened and they're screened to particular
9 size dimensions, principally these days on thickness of
10 the chip.

11 Q. Which sample are you referring to?

12 A. This is Exhibit No. 1077, pulp chips.
13 What's important is to have the chips be of a range of
14 thicknesses appropriate to the chemical pulping vessel
15 that the mill may have.

16 In the case of a softwood bleached kraft
17 pulp mill producing products for paper, you would want
18 chips of a thickness of about six millimeters, it would
19 be ideal. In addition, you want to have minimum bark
20 content. When you look at this bag you will note that
21 it's quite clean, there is very little bark content in
22 it and also a minimum amount of charcoal or burnt wood
23 also because it's difficult to bleach and would also
24 contaminant the pulp sheet.

25 The other important thing is that you

1 will also notice that there is very little of the
2 sawdust called savings or pin chips in the bag of
3 screen chips, and the reasons are that when you are
4 producing a paper grade pulp this material can clog up
5 circulating screens inside of a digester, for example,
6 and disrupt the quality of the cooking and also perhaps
7 the production process.

8 So those are some of the ways in which
9 the raw material is specified from the pulp mill to the
10 sawmill and they produce it for the pulp mills.

11 Q. Now, we can move on to Section 7
12 then, Mr. Pryke, and just briefly finish the evidence
13 with respect to some statistics on recycling and I
14 understand you also wish to refer to an interrogatory
15 which was provided in this matter --

16 A. Yes.

17 Q. --asked in this matter by the
18 Ministry of the Environment.

19 A. Yes, Mr. Cassidy. Recycled paper
20 production is an important part of the total paper
21 produced in Ontario.

22 The utilization of waste paper has been
23 increasing over the last number of years and Mr. Virgo
24 has -- this is from page 97 of the transcript -- or the
25 evidence, Figure 16, just to show that the waste paper

1 used in Ontario and converted into paper and board
2 products has been increasing from about 600,000 tonnes
3 in 1980 to I think 941,000 tonnes in 1988. That waste
4 paper come from a number of sources which is shown in
5 Figure 17, page 98 of the evidence statement.

6 Following on with containers, which would
7 be our cardboard boxes, waste newsprint, de-inking
8 refers to mixed papers from -- ledger papers similar to
9 what we are working with and some other sources. And
10 you will note that the total production is about,
11 again, 940,000 tonnes of which approximately 400,000
12 tonnes was imported in 1988 into Ontario and it's
13 expected that with the blue box type programs that that
14 amount of imported material will decrease.

15 These products were converted into a
16 number of other products and this is where I will
17 answer the interrogatory from the Ministry of the
18 Environment.

19 MR. CASSIDY: That is interrogatory No. 9
20 from the Ministry of Environment, Madam Chair, which is
21 found at page 14 of Exhibit 1073.

22 MR. PRYKE: That 940,000 tonnes of waste
23 paper that was collected was converted; 42 per cent of
24 it was converted into new containers, 3.4 per cent into
25 fine papers like we are using, 32 per cent into box

1 boards and that's the kind of cartons we get our cereal
2 in.

3 It is much thinner than a cardboard box
4 type sheet and 19 per cent -- approximately 19 per cent
5 into newsprint and a smaller fraction, 3 per cent, into
6 other paper and boards.

7 Q. All right. Thank you.

8 MR. CASSIDY: Madam Chair, before I
9 finish, I now have a better copy of the Figure 1 that
10 Mr. Pryke was referring to earlier in the day and
11 Figure 1 can be found at page 75 of Appendix C. This
12 copy has the benefit of a light touch and photocopier
13 which shows up the figures better.

14 The overhead was an attempt to correct it
15 by way of overhead, but the production of the overhead
16 result in some errors in the graph, so I would suggest
17 that we make this an exhibit and simply label it Clear
18 Version of Figure 1 in Exhibit 1072.

19 MADAM CHAIR: That's Exhibit 1093 and you
20 want it to replace Figure 1 on page 75 of Exhibit 1072?

21 MR. CASSIDY: That's correct.

22
23 ---EXHIBIT NO. 1093: Replacement of Figure 1 on page
24 75 of Exhibit 1072.

25 MR. CASSIDY: I have no further

1 questions, Madam Chair.

2 MADAM CHAIR: Thank you, Mr. Cassidy.

3 Mr. Lindgren, are you ready to proceed?

4 MR. LINDGREN: Yes, I am, Madam Chair.

5 Could I have a moment to set up, please.

6 I believe I have everything I require,
7 Madam Chair. I would like to start by filing a package
8 of Forests for Tomorrow interrogatories, two of which
9 appear in Mr. Cassidy's package but I want to file the
10 entire package at this time.

11 MADAM CHAIR: That's Exhibit 1094.

12 Mr. Lindgren, would you like to describe
13 the interrogatories.

14 MR. LINDGREN: Yes. Actually it's a
15 complete interrogatory package, questions 1 through 9
16 from Forests for Tomorrow with respect to panel 3.

17 ---EXHIBIT NO. 1094: FFT interrogatory question Nos.
18 1-9 (Panel 3).

19 CROSS-EXAMINATION BY MR. LINDGREN:

20 Q. Mr. Saltarelli, I believe my first
21 question or line of questioning will be for you, sir.
22 Could I ask you to turn to page 30 of the witness
23 statement.

24 MR. SALTARELLI: A. Yes.

25 Q. You referred to the paragraph that's

1 written in bold this morning, the paragraph basically
2 indicates:

3 "Given the variability and fluctuation of
4 both short and long-term operational
5 circumstances and mill requirements, it
6 is critical that Industry timber managers
7 have a broad range of cost effective wood
8 supply management planning and
9 operations alternatives available to
10 use within a framework of sound overall
11 timber management planning."

12 I have a couple of questions about that,
13 sir. When you referred to a 'framework of sound
14 overall timber management planning', I take it that you
15 must mean a framework of environmentally sound timber
16 management planning; is that correct, sir?

17 A. That is correct.

18 Q. And just above that line you referred
19 to 'the broad range of cost effective wood supply
20 management planning and operations alternatives' that
21 are necessary, again I am somewhat puzzled by the sole
22 use of the word -- or the adjective cost effective.
23 What did you mean by that?

24 A. I believe I spoke to the need for the
25 industry to respond to markets and technologies and so

1 on. And what cost effective meant and means in that
2 context is the need for the Industry to remain
3 competitive, at the same time responding to these
4 situations.

5 Q. And that is why Industry requires a
6 broad range of alternatives?

7 A. That is correct.

8 Q. I think that aside from the issue of
9 cost effectiveness you would agree with me that it
10 would also be an environmental limit on that broad
11 range of alternative; is that correct?

12 A. How do you define environment?

13 Q. Well, for example, you would use it
14 as defined in this proceeding.

15 A. Are you speaking to the
16 socio-economic environment?

17 Q. Socio-economic environment, the
18 natural environment, the man-made environment?

19 A. Would you rephrase your question,
20 please?

21 Q. You've spoken of a broad range of
22 cost effective alternatives and I am suggesting to you,
23 sir, that aside from the issue of cost effective there
24 will also be an environmental constraint or limit on
25 that broad range. Would you agree with that

1 proposition?

2 A. We would agree that we plan in an
3 environmentally sound manner, so the answer to your
4 question in that context is yes.

5 Q. Perhaps I can just clarify what I
6 meant. I think that you would agree with me that in
7 some circumstances there will be situations where a
8 particular alternative or option would be cost
9 effective, but for one environmental reason or another
10 that particular option should not be carried out.

11 Would you agree with that as a general
12 proposition?

13 A. I can't offhand conceive of a
14 situation. Could you give me an example?

15 Q. Well, the example that I have in mind
16 is the option of cutting within an area of concern that
17 has been created by the the fish habitat or Moose
18 Habitat Guideline.

19 Now, it may be cost effective to cut
20 within an AOC because it is high quality wood and it is
21 closer to the mill, but for biological reasons it may
22 not be prudent to cut, and that is the example that I
23 had in mind.

24 A. In that respect, I would agree with
25 you.

1 Q. Okay, thank you. So the point that I
2 am simply trying to establish here, sir, is that cost
3 effectiveness cannot be the sole criteria in deciding
4 what range of options or alternatives are available?

5 A. Yes, I would agree you.

6 Q. Okay, thank you. One of those
7 limiting environmental or biological factors will be
8 the potential maximum amount of wood that may be
9 harvested from a management unit on a sustained yield
10 basis. Would you agree with that proposition?

11 A. I don't understand your question, I'm
12 sorry.

13 Q. Okay. I will try to cast these in
14 the general terms. The question is: Would you agree
15 with me that a management unit does have a maximum
16 amount of wood that could be harvested within a
17 specific period if you wanted to practise sustained
18 yield management?

19 A. That maximum could vary according to
20 the system -- silvicultural systems applied; in other
21 words, it could be a maximum based upon managing for
22 natural regeneration over a long period of time, it can
23 be a larger maximum based on artificial regeneration,
24 very intensive, over a long period of time but there
25 would be some range of maximums, yes.

1 Q. In order to harvest or manage on a
2 sustained yield basis, Industry must harvest within
3 that maximum capability; is that correct?

4 A. Over an extended period of time, yes.

5 Q. In other words, if you exceed that
6 maximum; that is, if you harvest more than what is
7 growing or what can grow back, then you are not
8 practising stand yield management; are you?

9 A. Could you give me your definition of
10 sustained yield now? I look at sustained yield over an
11 extended period of time; in other words, that doesn't
12 necessarily mean an even flow. It means sustained --

13 Q. I take it, sir, that you are familiar
14 with Section 6 the Crown Timber Act?

15 A. I don't know it verbatim.

16 Q. Did you know the definition of
17 sustained yield that we find in that provision?

18 A. Would you read it to me, please?

19 Q. The expression sustained yield means
20 the growth of timber than can be cut to achieve a
21 continuous or approximate balance between growth of
22 timber and timber cut. Do you agree with that
23 definition of sustained yield?

24 A. Yes, I do.

25 Q. Does that say that you cut what

1 grows?

2 A. Yes, it does, but I believe it's
3 worded in the context of over an extended period of
4 time. For example, if you take a very rapid situation
5 where you have got a very small land base, say the size
6 of this room, this room is capable of producing,
7 whatever, 200 cubic metres of wood, but you only cut it
8 once every hundred years, that's sustained yield. You
9 take what the forest is capable of growing in that time
10 frame.

11 Q. If I understand you correctly then,
12 sir, you're telling me that harvest can or should
13 exceed the amount of annual growth?

14 A. I didn't say that, no.

15 Q. Would you agree with that
16 proposition?

17 A. Harvest should exceed the annual
18 growth?

19 Q. Can -- if you are practising
20 sustained yield management, can harvest exceed the
21 amount of annual growth on a given geographic unit?

22 A. Okay. And do you mean annual growth
23 in a given year or annual growth over a rotation, or
24 average?

25 Q. In a given year?

1 A. Yes, it can exceed.

2 Q. Then I take it that you disagree with
3 the recommendation that was made by the Ontario Royal
4 Commission on Forestry, the Kennedy Report. Are you
5 familiar with that report, sir?

6 A. 1947.

7 Q. That's correct. Let me read one
8 recommendation from that report. This is
9 recommendation No. 11, this is found in Exhibit 108.

10 MR. CASSIDY: If the witness could just
11 have time to pull that. I think he has a copy in front
12 of him. Recommendation 11?

13 MR. LINDGREN: That's correct. Exhibit
14 108 is an extract from the 1947 report and at page 183
15 we find Recommendation 11.

16 MR. SALTARELLI: Yes, I have that.

17 MR. LINDGREN: Q. Okay. And in the
18 third sentence the recommendation reads as follows:

19 "On the other hand, an operator must not
20 cut more than the annual growth on his
21 limits."

22 MR. SALTARELLI: A. That's what it says
23 and if it means that the operator should not cut the
24 actual annual growth on his limits, I very much
25 disagree with the statement.

1 Q. And is that the industry position as
2 well? Is that your personal position or position of
3 the industry?

4 A. That is the position of the industry.

5 Q. Thank you. Can I just attempt to
6 summarize what I think you have said a few moments ago.
7 I think that you agreed with me that there is -- I
8 think you agreed that the capability of the land to
9 produce a sustained level of timber, that capability
10 should limit the amount of harvest that comes off that
11 management unit?

12 A. Generally, yes, given that we are
13 talking about sustained yield over an extended period
14 of time.

15 Q. And I think that you would describe
16 that as an environmental or biological limit on wood
17 supply; is that correct?

18 A. Biological, yes.

19 Q. And that is a factor that is separate
20 and distinct from the issue of cost effectiveness?

21 A. I am not -- I didn't say that. I am
22 not sure I agree with that statement.

23 Q. That is my question. You agree or
24 disagree with that statement?

25 A. That the biological limit is separate

1 from cost effectiveness?

2 Q. That's a different consideration; is
3 it not?

4 A. No, cost effectiveness is influenced
5 by biological realities. In other words, stands that
6 are over heavily stocked grow faster or produce wood at
7 a faster rate, will have some impact on economic
8 considerations. So they are related.

9 Q. I didn't say that they are not
10 related, I said that they are different. And I think
11 you would agree with that proposition?

12 A. Given -- yes, Mr. Lindgren, given
13 that you are talking about economics on one hand and
14 biology on the other, they are two separate
15 disciplines, yes.

16 Q. I will get back to the
17 inter-relationship in a moment. Speaking generally
18 about this witness statement, it appears to contain a
19 fairly healthy outlook for the future of most mills in
20 Ontario; would you agree with that generalization?

21 I think there is an indication that there
22 is a demand that is increasing and the mills
23 themselves, the mill output is increasing or the mills
24 at least hope to increase in the future?

25 A. Well, I would think that question

1 would be better posed to Mr. Pryke since that his
2 evidence, or I believe that is the evidence you are
3 referring to. I don't know if that is his evidence.
4 Perhaps you should speak to him.

5 Q. Mr. Pryke?

6 MR. PRYKE: A. Excuse me?

7 Q. Just for your benefit, I will repeat
8 the question.

9 A. Thank you.

10 Q. My question was: Many mills in
11 Ontario appear to be expanding over the last few years
12 and I believe your prognosis is that they will continue
13 to expand in the foreseeable future.

14 A. Subject to some ultimate limit, you
15 know, the demand is there.

16 Q. Does this constant expansion mean
17 that mills will need to harvest more wood?

18 A. Depending on the process, yes.

19 Q. Can you give me some examples of what
20 you mean by 'depending on the process'?

21 A. Well, I think Ms. Imada mentioned
22 that if you are going from say a ground -- for a
23 newsprint mill going groundwood that has a groundwood
24 sulphite kraft mix for example to produce a certain
25 amount of product, and shifting into a TMP type basis

1 you can produce the same amount of paper for less wood
2 is one example of where less wood can produce more
3 product, is one way to say it.

4 For kraft mills we have -- you would
5 require more raw material to expand.

6 Q. Now both you and Ms. Imada gave
7 evidence on the increasing use of poplar and wood chips
8 or wood residue in the pulp industry, but the fact of
9 the matter is the area that is harvested in Ontario is
10 increasing each year; isn't it?

11 A. I can't comment on the area question
12 myself.

13 Q. Is there anybody on this wood supply
14 panel that can answer that question?

15 MR. SALTARELLI: A. Could you rephrase
16 it? What area is increasing, Mr. Lindgren? I am
17 sorry, I didn't understand your question.

18 Q. Mr. Saltarelli, do you have a copy of
19 Exhibit 534A before you?

20 A. Yes, I do.

21 Q. And can you confirm for me that this
22 exhibit which was filed by the Ministry seems to
23 suggest that with the exception of a small dip in the
24 early 80s the total area harvested appears to be in the
25 200,000 hectare range and in fact there does seem to be

1 a bit of an increase towards the end of the 80s; is
2 that correct?

3 A. That is what this exhibit indicates,
4 yes.

5 Q. Are you aware of what the total area
6 harvested was last year, 88-89?

7 A. No, sir, I am not.

8 MR. CASSIDY: Just for the assistance, I
9 think there was evidence from the Ministry of Natural
10 Resources in their Panel 6 on that in terms of the area
11 of the productive forest base harvested, Madam Chair.
12 I don't have the page reference but it wasn't part of
13 our case, but I think that evidence is already before
14 the Board.

15 MR. LINDGREN: Q. Would you be in a
16 position, Mr. Saltarelli, to agree or disagree with me
17 if I suggested to you that the amount harvested last
18 year was something in the order of 240,000 hectares?

19 MR. SALTARELLI: A. I could neither
20 agree or disagree, Mr. Lindgren. I don't know the
21 number.

22 Q. Okay. Let's confine ourselves then
23 to the evidence that is before us and that is Exhibit
24 534. Now, would you agree with me that in light of
25 this evidence it does appear that industry is

1 harvesting an area in excess or approximately 200,000
2 hectares per year; is that correct?

3 A. It would appear that that is what
4 this exhibit indicates, yes, sir.

5 Q. Well, do you have any evidence to
6 suggest it's more or less than that amount?

7 A. No, I do not.

8 Q. Now, a moment ago when we were
9 discussing biological limits I think you agreed with me
10 that there was a biological or environmental limit as
11 to how much wood Ontario's management units can
12 produce.

13 A. Yes. I qualified that by saying that
14 biological limit is a range of maximums depending on
15 the treatment regime one chooses.

16 Q. Well, let's just pick up on the idea
17 of the range of limit and let me ask you this crucial
18 wood supply question then, Mr. Saltarelli.

19 Can you advise me at what point will mill
20 expansion and increased harvesting stop, at what point
21 will we reach that range of maximum or that maximum
22 amount of timber that can be produced on a sustained
23 yield basis in this province?

24 A. Well, it's industry's position that
25 we have a constant supply of raw material available to

1 industry. It's also our position that we stay in
2 business forever. I would say that industry would stop
3 expanding when the wood supply either existing or
4 potential is no longer sufficient to sustain industry.

5 I am not saying that industry is going to
6 expand to the actual maximum because I don't know what
7 is going to happen, but if you are looking for an
8 absolute ceiling, that would be it, that would be the
9 physical barrier.

10 Q. Does industry know at this point what
11 that maximum ceiling might be?

12 A. I think it would be imprudent to
13 speculate at this stage since the MNR has gone into a
14 very long study into the forest -- or timber production
15 policy. We would be second guessing the outcome of
16 that particular study and we would wait for that study
17 in order to make some sort of judgment.

18 Q. I think we will be addressing the new
19 forest production policy in a moment, but I would like
20 to return to this idea of sustained yield and what the
21 industry sees as the objective of this undertaking.

22 Now, at paragraph 1 of the executive
23 summary for your witness statement there is an
24 indication that it is the industry's position that
25 ensuring a predictable and --

1 MR. FREIDIN: Can you slow down for a bit
2 until I get the page.

3 MR. LINDGREN: Page 2 of the witness
4 statement, paragraph 1.

5 MR. SALTARELLI: Yes, I have got it.
6 Thank you.

7 MR. LINDGREN: Q. It is the position of
8 the industry that ensuring a predictable and continuous
9 current and future supply of quality raw material to
10 the industry's mills is the fundamental objective of
11 proper timber management in the area of the
12 undertaking.

13 Now, first of all, is the industry
14 presenting that as the objective of this undertaking?

15 A. Industry --

16 MR. CASSIDY: Perhaps I can speak on
17 behalf of the Industry. If Mr. Saltarelli wants to
18 answer --

19 MR. SALTARELLI: Please do.

20 MR. CASSIDY: In giving the overall,
21 Madam Chair, in terms of the industry restating the
22 objective of the undertaking, as it has already been
23 indicated by the Board, a party can't do that in terms
24 of restating the objective or even apply to the Board
25 to do that and; therefore, industry's position is that

1 this represents its position on future wood supply, but
2 in terms of the legal definition of the objective of
3 the undertaking, the industry is not attempting to
4 recast or restate the objective stated by the Ministry.

5 I take objective to mean, as I think Mr.
6 Lindgren is using it, being the purpose of the
7 undertaking. So, therefore, we would not do something
8 that the Board says cannot be done.

9 MR. LINDGREN: Madam Chair, my interest
10 is simply this: Whatever Mr. Cassidy calls this, it's
11 restated differently than the objective that we see
12 presented by the Ministry and I am somewhat unclear as
13 to why that is the case and I am also unclear as to
14 what is meant by this statement of purpose or statement
15 of objective and that is what I would like some
16 clarification from Mr. Saltarelli about.

17 I am not asking if he is offering this as
18 a substitute legally for the stated objective of the
19 undertaking, I just would like some clarification as to
20 what is meant because there is a substantial difference
21 in the definition of the undertaking here as opposed to
22 what we have seen from the Ministry.

23 Q. And with that in mind, Mr.
24 Saltarelli, first of all: Can you advise me what you
25 mean by a predictable and continuous current and future

1 supply of quality raw material?

2 MR. SALTARELLI: A. Very well, it's a
3 fair enough question.

4 Q. I hope all my questions are fair,
5 sir.

6 A. Yes, they are, so far. I was just
7 commenting to the Board that I have no objection to
8 answering your question.

9 The current supply of raw material
10 actually is the forest that is out there and it relates
11 to our ability to manage that forest, our accessibility
12 to that forest and that fiber resource. It also
13 relates to the flexibility, if I may use that word,
14 required by the industry to access that resource and
15 use it.

16 The future supply of course has to do
17 with the new forest, how we manage the old forest in
18 such a manner that a new forest is available to us in
19 the future. We set no time limit on that, that as far
20 as we are concerned is forever. And given that we made
21 that statement in the context of wood supply, I think
22 it's quite an appropriate statement, like that is our
23 main concern in the context of wood supply, to ensure
24 that even flow of fiber.

25 Q. And in light of your answer, sir, can

1 you advise me: What is the maximum amount of wood that
2 is available now and that will be available in future
3 to fulfill industry's needs?

4 A. Do you want a number?

5 Q. Do you have a number?

6 A. No, sir, I do not.

7 Q. Is the industry in a position to
8 derive a number?

9 A. I don't know. I know that -- I could
10 give you a rough estimate of 20.5-million cubic metres
11 that was cut last year roughly and that to me would
12 seem to be the number that industry needs at the
13 present moment given present market conditions.

14 But I don't know what it's going to be
15 next year because markets will change; I don't know
16 what it's going to be 10 years from now because I don't
17 know what industry's plans are on a general level.

18 Q. Well, your answer refers to changing
19 markets and changing needs. I think the question
20 pertained more to what we have already agreed could be
21 considered the biological or environmental limits on
22 the maximum amount of wood that could be taken on a
23 sustained yield basis?

24 A. And we expect the timber production
25 policy will address that.

1 Q. Well, let me ask you this then, sir:
2 Would you agree with me until the biological or
3 environmental limit is known to the province; that is,
4 determined at the management unit level and aggregated
5 upwards, until that's done it's likely that industry
6 will continue to expand the mills, take ever increasing
7 amounts of wood and not really know what the ultimate
8 limit is?

9 A. No, I wouldn't agree with that.

10 Q. You don't agree with that?

11 A. No. Industry may not expand, it may
12 contract, it depends on where markets are, what the
13 realities of the situation are. So industry is not
14 going to continue to expand in isolation, it's going to
15 expand in certain locations in response to what is
16 available to it in terms of raw timber or raw material.
17 It's going to expand in terms of what is available as
18 far as markets.

19 If the timber isn't there, and if it's
20 not going to be there long enough to rationalize a
21 major expenditure, then industry is not going to react
22 to it.

23 Q. I am not sure what you mean by
24 industry won't react to it?

25 A. Industry will not expand, won't react

1 to a situation that does not indicate that there is a
2 sizeable supply of raw material available in the
3 future.

4 Q. I think that a few moments ago you
5 indicated that industry is not currently in a position
6 to determine the current maximum amount that is
7 available and you don't know what the future supply
8 would be?

9 A. You asked for a number. I haven't
10 got a number. I can tell you from general observation
11 that there does not seem to be a problem of wood
12 supply, no alarm bells have started to ring yet, we
13 have some general localized problem areas cropping up I
14 understand and other areas that are surfacing.

15 What I am saying is we are not so close
16 to the wire now that we have to really carefully
17 consider what you are talking about; in other words,
18 expanding in the sense of expanding on a provincial
19 basis.

20 Q. I take it then you must be aware that
21 Dr. Baskerville attended before the Board and gave
22 testimony last December?

23 A. Yes, I am.

24 Q. Do you have Volume 165 of the
25 transcript in front of you?

1 A. Yes, sir.

2 Q. I am referring to page 29287 where
3 Dr. Baskerville was cross-examined by Ms. Swenarchuk.

4 A. Yes, I have it.

5 Q. At the bottom of that page, page
6 29287, Ms. Swenarchuk begins by referring to the cap on
7 mills that was enacted in New Brunswick while Dean
8 Baskerville was the Assistant Department Minister. Do
9 you have that page location?

10 A. Yes, I do.

11 Q. Then at the top of the next page Ms.
12 Swenarchuk asks:

13 "And you described it...", it being the
14 cap on mills:

15 "...as the first and most crucial step
16 to sustainable development in New
17 Brunswick and I wonder if you have an
18 opinion as to what would be the crucial
19 step to sustainable development in
20 forestry in Ontario?"

21 The answer that Dr. Baskerville provides
22 is:

23 "I would say that the first step would be
24 to get a reasonable credible forecast by
25 management units for the Crown land and

1 by whatever means for the non-industrial
2 freehold land of the production
3 possibilities."

4 And then he goes on to discuss what
5 happens in New Brunswick. but with respect to the
6 first part of his answer, does industry agree or
7 disagree with Dean Baskerville's assessment of the
8 crucial first step here in Ontario?

9 MADAM CHAIR: Could you repeat that first
10 step, Mr. Lindgren?

11 MR. LINDGREN: Pardon me?

12 MADAM CHAIR: Could you repeat the first
13 step that Dr. Baskerville mentioned.

14 MR. LINDGREN: The answer indicates that:
15 "I would say that the first step would be
16 to get a reasonable credible forecast by
17 management unit for the Crown land and by
18 whatever means for the non-industrial
19 freehold land of the production
20 possibilities."

21 Q. Does industry agree or disagree with
22 that part of that statement?

23 MR. SALTARELLI: A. I agree with that
24 statement.

25 Q. Okay, thank you. And then onto the

1 next page at the top, at page 29289 Dean Baskerville
2 returns to the Ontario situation. He indicates:

3 "The thing that is missing here is
4 a biologically credible forecast
5 built from the forest level back up of
6 what the production possibilities are to
7 determine whether or not 'steady as she
8 goes' will in fact be sustainable."

9 Do you agree with that assessment, sir?

10 A. I agree with that statement, yes, and
11 I think this is one -- I know it's one of the
12 objectives of the New Brunswick timber production
13 policy to do just that.

14 Q. And then just to finish with Dr.
15 Baskerville here on this point. At the bottom of the
16 page Ms. Swenarchuk asks:

17 "And would I be correct in assuming that
18 absent that forecast you are not in a
19 position to suggest whether a cap similar
20 to the one used in New Brunswick would
21 be at this time required in Ontario?"

22 And Dean Baskerville says:

23 "That's correct."

24 Does industry agree with that position as
25 well?

1 A. Well, it's difficult for me to second
2 guess how Dr. Baskerville interpreted that question,
3 but I will tell you how I interpret that question and;
4 that is, I believe that Ms. Swenarchuk was asking Dr.
5 Baskerville if he felt that the situations in the two
6 provinces were similar; in other words, to apply a
7 similar cap in one jurisdiction as it was applied in
8 another one.

9 And I would say to that question that the
10 two jurisdictions are not in any way similar; New
11 Brunswick has a wood supply problem provincially, it's
12 identified, there is a real age class gap between young
13 and old and New Brunswick has come to terms with that
14 in various ways. Dr. Baskerville is not saying that
15 that situation can be applied to Ontario.

16 Q. That's right. And the reason why you
17 can't in Dr. Baskerville's view is that there is not a
18 Biologically credible forecast of what is out there and
19 what can be grown and until that is known we don't know
20 if we need a cap but, more importantly, we don't know
21 if that biological limit that we have referred to
22 earlier has been exceeded or would be exceeded by the
23 current levels of harvesting.

24 A. Yes. By contrast we don't know
25 whether or not there is potential out there to increase

1 industry that the cap is totally unwarranted. And,
2 again, I refer back to the objects of the timber
3 production policy which will attempt to enumerate that
4 biological potential across the province.

5 Q. Okay. Perhaps you can return to page
6 30 of the witness statement.

7 A. Yes, I have it.

8 Q. And again I would just like to
9 summarize it, if I could. Basically, as I understand
10 this section, you are indicating that because of the
11 various operational or economic or technological
12 changes that cannot be anticipated by industry the
13 planning and amendment process should be flexible
14 enough to allow industry to respond in a timely manner.
15 Is that a fair summary of your evidence, sir?

16 A. Yes, sir.

17 Q. Can you please explain to me why most
18 of these changes cannot be accommodated within the
19 existing five-year planning process or the planning
20 framework?

21 My concern, sir, is that surely most of
22 these technological or economic changes or developments
23 do not occur overnight, to some degree they can be
24 anticipated or forecast. I am wondering why they can't
25 be accommodated within the existing framework?

1 A. You are speaking directly to
2 technological changes in processes, manufacturing?

3 Q. Technological or economic.

4 A. Okay. We filed for example MOE's
5 Interrogatory No. 2 to answer that very question, we
6 filed NAN's Interrogatory No. 1 which spoke to that
7 question, we filed MNR's Interrogatory No. 2, again
8 with respect to that question, and there is a degree of
9 relevance that I will leave to MNR's No. 1.

10 If the Board would like me to go over
11 those I would do that for you, but I feel I have
12 already gone through that in direct.

13 MR. CASSIDY: Those interrogatories can
14 be found in Panel 3.

15 MR. LINDGREN: Q. Well, Mr. Saltarelli,
16 I take it that in preparation for this evidence that
17 you must have reviewed the Panel 3 and Panel 4 evidence
18 of the Ministry?

19 MR. SALTARELLI: A. I read the
20 transcripts as they became available, yes.

21 Q. So you have read the transcripts?

22 A. Yes, I have.

23 Q. And do you have a copy of Volume 28
24 before you?

25 A. Yes, sir.

1 Q. And at page 3275 the question that I
2 put to you or a similar --

3 A. 28? There is no 3275 in 28.

4 Q. Sorry, my fluency with the Roman
5 numerals is a little bit suspect. It's actually No.
6 18.

7 A. I don't have that up here, sir. I am
8 sorry.

9 MR. CASSIDY: The best thing that Mr.
10 Campbell ever did when he asked that the numbers be
11 changed, Madam Chair. I don't even know if I have got
12 the right -- that's 18.

13 MR. LINDGREN: That is 18.

14 MR. SALTARELLI: That's XVIII, three
15 thousand two hundred and...?

16 MR. LINDGREN: Q. That's correct. It's
17 page 3275.

18 MR. SALTARELLI: A. 75. Yes, Mr.
19 Lindgren, I have that page now.

20 Q. Okay. And the question that is very
21 similar to the one that I just put to you was put by
22 Mr. Freidin to Dr. Osborn in the middle of the page
23 commencing on line 8. The question is:

24 "And, Dr. Osborn, is there anything that
25 you are aware of in the timber management

1 planning process which in part responds
2 to the uncertainty of the future and
3 predictions you can make about the
4 future?"

5 Dr. Osborn says:

6 "Yes. In the first set of diagrams some
7 method was made to indicate that in the
8 time scale we had a series of planning
9 horizons and we described that there was
10 a 20-year short-term horizon and within
11 that 20-year time horizon there was a
12 first five-year special time horizon and
13 the reason for that was literally to
14 answer this type of question knowing that
15 technology moves so quickly, knowing that
16 what might seem ideal for today may
17 change one, two, three, four, five, 10
18 years down the road. The relook at what
19 should be my ideal is done on a five-year
20 cycle."

21 Now, I interpret Dr. Osborn as saying
22 that the current planning process is adequate to
23 address these various changes. I think that your
24 evidence is somewhat inconsistent with Dr. Osborn.

25 A. May I see the diagram he's referring

1 to.

2 Q. I don't know what particular exhibit
3 he's referring to, you can perhaps check at the break.
4 But the thrust of the answer indicates that Dr. Osborn
5 believes that the current planning process is adequate
6 to deal with these technological or economic changes.

7 Your evidence this morning suggests that
8 it's not and that it needs to be somewhat more
9 flexible, and I'm wondering how you can -- are you
10 disagreeing or agreeing with Dr. Osborn, first of all?

11 MR. CASSIDY: What I suggest we do, madam
12 Chair, is take advantage of the break. The witness is
13 indicating he wishes to refer to an exhibit. As I
14 recall having been here, Dr. Osborn wasn't looking at
15 in discussion, it may or may not be material, but in
16 fairness to the witness we should allow him the
17 opportunity to do that.

18 We can pull that exhibit, if Mr. Lindgren
19 can provide us with the number, and then if Mr.
20 Lindgren can move on, we can come back to that after
21 the witness has had a chance to review that exhibit.

22 MR. LINDGREN: Very well, I can undertake
23 to do that.

24 MR. SALTARELLI: Thank you.

25 MR. LINDGREN: Q. While we are on the

1 subject of flexibility in the timber management
2 planning process, can I ask you to turn to page 33,
3 please.

4 MR. SALTARELLI: A. This is of the
5 witness statement?

6 Q. Of the witness statement. Page 33 of
7 the witness statement.

8 A. Yes, Mr. Lindgren, I am there.

9 Q. Now, again, if I could just summarize
10 this page of evidence. Essentially Industry agrees
11 that there should be clear statements of management
12 objectives and strategies in the timber management
13 plan, but the plan must also state that these
14 statements of objectives or statements of strategies
15 are subject to change in light of wood supply dynamics.
16 Is that a fair summary?

17 A. That's a fair summary, yes.

18 Q. Now, can I ask you this, sir, is the
19 Industry asking that timber management plans include a
20 statement to the effect that the objectives and
21 strategies are not cast in stone, that they are in fact
22 subject to change or variation at any time? Is that
23 what Industry is asking for?

24 A. I would like to answer your question
25 this way; and, that is, these plans are for a five-year

1 period and being we can't predict the future we don't
2 know what's going to happen.

3 We can establish in our plans and
4 incorporate into our plans reasonable futures that we
5 would expect may happen, but the reality of the
6 situation is that what we have in our TMP, or any other
7 plan for that matter, is not going to happen exactly as
8 we put in the plan.

9 What we wanted to do -- what we were
10 trying to establish with this statement is that we
11 wanted to make it perfectly clear to the public the
12 realities of planning insofar as things are going to
13 change and that there is a possibility, yes, that a
14 strategy may have to change or an objective may have to
15 change. We would hope that it wouldn't, but by the
16 time we finalize our plan that, to our best knowledge,
17 is what is going to happen.

18 Q. Would you agree with me that a
19 statement to that effect may in fact lead to the type
20 of confusion or misunderstanding on the part of the
21 public that you are trying to avoid?

22 A. No, I don't. I think if we explain
23 to the public exactly what our timber management
24 strategies and objectives are and why we have them as a
25 first step in the process of understanding, the next

1 step of course is to explain that things can change.

2 We may have a forest fire somewhere, for
3 example, we have no way of predicting whether that is
4 going to happen, we may have a large blowdown such as
5 what the Board saw in the Dryden District and we have
6 no way of predicting that. If that should happen, then
7 the timber management strategies and objectives are
8 going to change, there is nothing we can do about it.
9 I don't think that's confusing, I think that's just
10 reality.

11 Q. Well, how would such a change be
12 effected? I assume that would be done through the
13 amendment process?

14 A. Yes, it would be. We also spoke to
15 the establishment of committees in our evidence, not in
16 this particular panel, but in Panel 10 which will be
17 presented, also in our terms and conditions.

18 The amendment process is an integral part
19 of that, where we would say that if something of that
20 nature should happen, a major change to a management
21 plan, likely it would be a major amendment and it would
22 involve the input of our various committee levels
23 which, of course, include the public.

24 Q. So are you saying that a change to a
25 management objective or strategy would in fact

1 necessitate a major amendment?

2 A. It would depend on the magnitude of
3 the change, Mr. Lindgren. If it changes the overall
4 objectives of management it would require an amendment,
5 whether that would be a major or a minor one would
6 depend entirely on the circumstance. Could you give me
7 an example?

8 Q. No, I think that you've answered the
9 question.

10 A. Okay.

11 MR. CASSIDY: I can advise the Board we
12 will be hearing more from the Industry in Panel 10 and
13 Mr. Lindgren can cross-examine them on that as well.

14 MR. MARTEL: By and large then you are
15 not talking about - if I gather correctly what you are
16 saying - changes that would occur quite frequently, you
17 are talking about situations that might arise that you
18 can't forecast but aren't just willy-nilly changes in
19 every year in every plan across the province?

20 I think it might be one of the fears that
21 Mr. Lindgren has, anything comes along and you can
22 request a change and that which would destroy the basis
23 of the five-year plan.

24 MR. SALTARELLI: Yes. Given that we have
25 established management objectives and strategies, Mr.

1 Martel, a change that would have an impact on those
2 strategies or change them in one respect or another
3 would be fairly significant. I don't think it would
4 happen all that often.

5 MR. MARTEL: All right.

6 MR. LINDGREN: Q. A few moments ago you
7 indicated that the timber management planning process
8 should contain some large degree of flexibility to
9 accommodate those changes.

10 Now, my question to you is this: In the
11 Industry's view, is the current planning process
12 flexible enough or does Industry have some suggestions
13 as to how to make it more flexible to accommodate these
14 changes in a timely manner?

15 MR. SALTARELLI: A. By and large the
16 current planning system has a great measure built in
17 for flexibuiltly; in other words, we have the ability
18 to allocate our entire maximum allowable depletion even
19 if we don't need it all, we have the ability to carry
20 over areas from one planning period to another.

21 This is sort of the transition time when
22 we are not quite sure when our operations are going to
23 end and where they are going to end physically. We
24 have the provision to allocate a so-called contingency
25 area within our approved plan and that gives us about a

1 20 per cent windrow, if I may use that term, in case we
2 have to change location of operations.

3 However, given all those -- given all
4 those criteria of flexibility, there are still
5 situations that arise that demand amendments. It could
6 be that our contingency area may be in the location
7 that we don't intend or don't have an option to moving
8 to, so in that respect flexibility is definitely
9 limited.

10 If we can effect an amendment to a plan
11 rapidly, and I use rapidly as a relative term, it could
12 be in a period of six months or three months or a
13 couple of weeks depending on the circumstances, then
14 the planning system would be adequately flexible as far
15 as we're concerned.

16 Q. Do you have any specific proposals
17 for reforming the amendment process?

18 MR. CASSIDY: Madam Chair, I don't know
19 whether Mr. Lindgren has read our Panel 10, but the
20 purpose of our Panel 10 is just precisely that point
21 and Mr. Lindgren can cross-examine here if he wants,
22 but I think we are really going to end up in the
23 situation where we might end up repeating ourselves.
24 It is going to be dealt with in Panel 10, that's the
25 whole substance of that panel.

1 The purpose of this panel is to explain
2 some of the wood supply considerations and actual
3 proposals on planning are naturally left to the
4 planning panel.

5 MR. LINDGREN: Very well.

6 Q. Could I ask you to turn to page 35 of
7 the witness statement, please?

8 MR. SALTARELLI: A. I'm there, Mr.
9 Lindgren.

10 Q. The second paragraph indicates that:
11 "...it should be remembered that Industry
12 members make a variety of forest
13 products. Given this, the available
14 technology in the mills, and the quality
15 demands dictated by the processes and
16 markets for those products, there is a
17 diversity of wood supply needs within the
18 Industry."

19 It goes on to indicate:

20 "The diversity of supply requirements,
21 which include size, species, uniformity
22 of species mix, freshness and wood
23 quality characteristics among other
24 factors, must be taken into account by
25 timber resource managers.""

1 Now, I think in some of the evidence of
2 the other members of this panel we have heard about
3 these various requirements, Industry requirements.

4 But in light of this particular
5 paragraph, Mr. Saltarelli, does the present licensing
6 or FMA licensing system, which effectively ties up
7 large portions of land or the productive land base to
8 single companies, does that complicate or hinder the
9 timber resource manager's ability to meet the wood
10 supply needs?

11 MR. SALTARELLI: A. From my experience
12 it doesn't seem to. If you take a look at Mr. Magee's
13 evidence, for example, he gave evidence to the effect
14 that he was drawing wood or pulling wood, as he said,
15 from four FMAs and a number of Crown management units
16 and so on and he does so effectively and effectively
17 supplies the wood for his mill, and that would indicate
18 to me that it's not a constraint.

19 Q. Well, you have referred to Mr.
20 Magee's particular example, so you are telling me that
21 generally the Industry doesn't perceived this to be a
22 constraint?

23 A. I am saying that that's my general
24 impression. I can't speak for the Industry in that
25 respect.

1 Q. Well, who are you speaking for when
2 you sitting here on this panel?

3 A. I am speaking of wood supply, not
4 licensing; that's a totally different issue.

5 Q. Well, wood supply and licensing, they
6 are pretty inter-related or intertwined contents; are
7 they not?

8 A. No, sir, they're not. They're
9 related but they're not very closely related.

10 Q. We will deal with that in a moment,
11 but before I leave licensing per se can I ask you this:
12 Does the Industry see the licensing system, which
13 effectively ties up large portions of land for extended
14 periods of time, does Industry see that as being
15 consistent with the free market philosophy that we hear
16 so often from Industry?

17 A. I don't know how Industry uses that,
18 sir.

19 MADAM CHAIR: Don't you think that
20 question should be directed to Mr. Atkinson or Mr.
21 Magee.

22 MR. LINDGREN: Very well, if they are in
23 a position to reply.

24 MR. ATKINSON: Madam Chair, I could give
25 you my own opinions on those if that is of any value to

1 this hearing.

2 After being in the forest products
3 industry for the last -- more years that I would like
4 to think about, almost 40, I think if you look at
5 Ontario and where the plants are and where the wood is
6 and the size of a unit, such as a pulp and paper
7 company with a huge installation that costs hundreds of
8 millions of dollars, and then you talk about opening up
9 Crown timber to competitive bidding, the question is
10 who is going to bid on it. Not me, I haven't got
11 hundreds of millions of dollars to compete in that game
12 and even setting up a saw mill like the one I've been
13 talking about today costs, if you start it now,
14 \$50-million.

15 I don't think there's too many people who
16 are going to compete in this game, and what we see in
17 an area where you have 90 per cent or more Crown land
18 is that there won't be any industry. There wouldn't
19 have been any industry if they had to come in on open
20 competition initially and invest what were huge amounts
21 of money in the 1920s. They wouldn't be here yet if
22 they had to operate on that basis.

23 So I have trouble -- Mr. Lindwin is your
24 name?

25 Q. Lindgren.

1 A. Lindgren, sorry. --visualizing who
2 is going to bid on this timber. If you threw it open
3 tomorrow on CP Forest Products licenses who would bid
4 on it, you know, for a million and a half cords a year
5 or something? I think there would be a pretty scarce
6 number of people that would look at it even.

7 And maybe there's another concept of how
8 you would have competitive bidding, but the competitive
9 bidding that does go on in Ontario at the present time
10 is on a very small scale, as I think we're all aware.
11 It's in the -- part of a management unit or something
12 like that.

13 Q. Mr. Magee, do you have anything to
14 add that to answer?

15 MR. MAGEE: A. No, I don't.

16 Q. Well, I have a question for you
17 anyways. In your evidence a few moments ago you
18 indicated that part of your wood supply needs is met
19 through obtaining or purchasing wood from FMA holders
20 and you also indicated that you're not currently
21 actively involved in the timber management planning
22 process on those units; i.e., you're not a member of
23 the timber management planning team, but you wish that
24 you were more involved or you wish that you would be
25 there on an advisory committee, I assume.

1 My question is this: Has that licensing
2 system; i.e., the FMA units that you deal with, does
3 that in any way constrain or limit your ability to meet
4 your wood supply needs?

5 MR. MAGEE: A. I have to back up to the
6 first part of your question. I think you talked about
7 FMAs and you talked about planning committees; is
8 that...

9 Q. Well, I was just trying to give my
10 question a little bit of context. You indicated that
11 you did take some wood from FMA units?

12 A. Yes, we do.

13 Q. And you are not currently involved in
14 the planning for those units?

15 A. Not for the FMAs, no. We are
16 consulted as the plans approach us and we are aware of
17 where the allocations are going to be before we attend
18 the first open house.

19 Q. Okay. Now, I take it that you see
20 participating on the team in an advisory capacity as a
21 good thing?

22 A. Yes.

23 Q. And the reason I presume that you are
24 on these -- or acting in an advisory capacity is to
25 make your needs known or make your views known in terms

1 of your supply wood requirements?

2 A. Yes, and I think to act as technical
3 and professional -- have some technical and
4 professional input. I have been in the area a long
5 time, some of the members on the team have not been
6 there for a very long time. We are speaking about
7 Crown planning teams now, and the particular one I am
8 involved with is the Shining Tree.

9 There was some discussion whether I am a
10 member of the team or not, I think it came that I will
11 go to the meetings, but I will not be an author to the
12 plan or a member of the team. There is another company
13 representative as well on that in the same position I
14 am.

15 Q. Now, at page 69 of the witness
16 statement, Mr. Magee, you outline the various methods
17 by which your company -- or the Grant company procures
18 its wood. Now, the wood that you obtain from the FMAs,
19 does that fall under paragraph (b), first right of
20 refusal?

21 A. Not all FMAs are the same. I have to
22 think about that. No, not under (b).

23 Q. Well, which item would it fall under?

24 A. Well, if I could just discuss it.

25 One FMA, presently we are licensed directly; another

1 FMA, there is an operator who is into a situation in
2 (e) where the poplar wood must be sold to Grant;
3 another FMA, we are just at the point of signing a
4 third-party agreement; another FMA, we have the right
5 to go in there and buy the wood like anybody else.

6 Q. So there is some element of
7 competitive bidding that is undertaken by Grant to
8 obtain its wood from FMAs?

9 A. There are other poplar users in the
10 woodshed, certainly, that buy the wood, yes.

11 Q. Okay. Could I ask you to return to
12 paragraph (b) on page 69, it is indicated that:

13 "Grant has the option of buying the wood
14 at the stated price of its competition;
15 if the purchase is declined the licence
16 holder can sell its wood elsewhere."

17 Can you explain to me what is meant by
18 the phrase 'at the stated price of its competition'?

19 A. Well, there is a mechanism in place
20 where we get our wood at first right of refusal and
21 also takes place sometimes on, I understand, conifer
22 going out of the province.

23 In our case, the person who has the wood
24 does the shopping first and gets his best price, he
25 comes to Grant, Grant has the right -- Grant can match

1 it and buy the wood or else let that wood go.

2 Generally that's how it works.

3 Q. So, in other words, the operator's
4 selling price is controlled?

5 A. No, he goes and shops and gets his
6 best price and Grant has the right to buy the wood at
7 that stated price or to let the wood go to the highest
8 bidder, higher bidder.

9 Q. It can go to a higher bidder only if
10 you refuse?

11 A. I am having trouble with that
12 question, it can go to a higher bidder if I refuse. I
13 have the -- Grant has the right to match the highest
14 price in the area.

15 Q. That's right. But I think the
16 statement suggests that if for whatever reason you
17 decline the purchase of that stated price--

18 A. That's right.

19 Q. --then it can be sold elsewhere,
20 presumably to a higher bidder--

21 A. No.

22 Q. --or to someone who could --

23 A. As I understand it, it goes at that
24 stated price.

25 Q. So there is no possibility that a

1 higher bid may in fact be received if you decline it?

2 A. I don't know.

3 Q. Okay.

4 MADAM CHAIR: Mr. Lindgren, I think the
5 point of what Mr. Magee was saying is that that was the
6 highest bid. The seller goes out and finds the price
7 for his wood and sets the price and Grant can take it
8 at that price or say: It is too much, sell it to
9 whoever offered the bid.

10 MR. LINDGREN: I understand the
11 mechanism.

12 Q. I am just wondering, again, does
13 Industry see that as a legitimate part of the free
14 market system?

15 MR. MAGEE: A. It's workable and it
16 keeps the third party or the operators with that wood
17 happy. It works. I don't think it's perfect.

18 MR. MARTEL: Have you ever had any
19 complaints that it doesn't, that the small guy is
20 getting squeezed in a sense, is that in fact -- as he
21 is attempting to sell his wood there is a possibility
22 that he might not get what the value of the wood is
23 simply because there isn't enough competition there?

24 MR. MAGEE: Do you want me to speak to
25 that, Mr. Martel.

1 MR. MARTEL: Yes.

2 MR. MAGEE: I believe what you say is
3 true, yes. Certainly where we are there's a lot of
4 small contractors in the very realistic forest. If it
5 is a must sell situation it bothers them.

6 MR. MARTEL: But there is no other way,
7 though?

8 MR. MAGEE: There could be some long
9 discussion on it. The system in place there works now
10 and perhaps the Ministry has some other means in mind
11 of disposing of the wood, but it works, for the per
12 cent of wood to be getting it's all right.

13 MR. LINDGREN: Q. Now, when you say 'it
14 works', you mean that your wood supply needs are being
15 fulfilled?

16 MR. MAGEE: A. Yes, and that first right
17 of refusal wood does flow in. It has been invoked in
18 several cases and that's how it is.

19 Q. Okay. Mr. Saltarelli, if I could
20 return to you and ask you to turn to pages 36 and 37 of
21 the witness statement.

22 MR. SALTARELLI: A. I'm at page 36, Mr.
23 Lindgren.

24 Q. Okay. Now, again to paraphrase this
25 evidence, I think you suggested this morning that

1 Industry supports the evidence by the MNR to increase
2 the accuracy and usefulness of the FRI, and you also
3 indicated this morning that in spite of the limitations
4 of the FRI it's a useful tool for macro-level planning.

5 Could I ask you to very briefly indicate
6 what in Industry's views -- or in the Industry's
7 opinion what are the principal limitations of the FRIs
8 that now exist?

9 MR. SALTARELLI: A. The basic limitation
10 of FRI -- this is really -- really falls back on a
11 misuse of FRI, the use for which it's not intended, is
12 when timber managers attempt to use it on a stand level
13 basis that is the basic limitation of FRI but, again, I
14 believe that was never the intention of the FRI.

15 Q. That's the only drawback that you
16 perceive with the FRI as it currently exists?

17 MR. CASSIDY: I thought he said the main
18 drawback.

19 MR. SALTARELLI: Yes.

20 MR. FREIDIN: Basic limitation.

21 MR. CASSIDY: Basic limitation.

22 MR. LINDGREN: Q. Are there other
23 limitations in Industry's view?

24 MR. SALTARELLI: A. There are some. For
25 example, the currency of FRI, for example FRI is

1 generally undertaken on a 20-year cycle and with any
2 source of information as it grows older it becomes less
3 and less reliable, so that's a drawback.

4 There are possible limitations in the
5 quality of FRI depending upon the scope of the
6 photointerpreter.

7 Offhand, Mr. Lindgren, those are the
8 three I can think of. There may be others but those
9 are the ones I can think of.

10 Q. Now, I think you've indicated earlier
11 that you have reviewed the Panel 3 evidence offered by
12 Dr. Osborn and others on wood supply?

13 A. Yes, I have.

14 Q. And you recall Dr. Osborn discussed
15 the FRI at some length?

16 A. Yes, I do.

17 Q. And I hope it is not necessary to go
18 to the transcripts or the exhibits, but can you confirm
19 for me or does Industry agree that, well, for example,
20 that the gross total volume estimates that are derived
21 for a stand based on the FRI is also based on the
22 assumption that the predominant species is the most
23 important and this can in turn result in small and
24 larger errors in terms of estimating volumes for the
25 other species?

1 A. Yes, on a stand-by-stand basis that's
2 quite correct.

3 Q. That's part of the misuse of the FRI
4 that you were referring to?

5 A. Yes, sir.

6 Q. Dr. Osborn also indicated that FRI
7 does not identify land use or alternative potential
8 uses, it just indicates the presence of production
9 forest and land tenure. Does Industry perceive that to
10 be a limitation on the usefulness of FRI?

11 A. From the standpoint, Mr. Lindgren, of
12 timber supply planning, not necessarily. There are
13 going to be impacts of other users on timber supply,
14 that's true, but that's something they can deal with in
15 another plane. We can incorporate an example such as
16 the HSG model to answer those questions and put some
17 spacial reality into the FRI.

18 So, again, the FRI is a really good basis
19 for determining on a global plane, the strategic level
20 what wood supply is. If you are going to attach other
21 parameters to that inventory, it might be best left to
22 some sort of overlay on FRI, not FRI itself.

23 Q. Now, in light of, I guess, the
24 limitations of FRI, you have indicated that Industry
25 sometimes undertakes efforts or initiatives to generate

1 supplemental information.

2 A. That is correct, yes.

3 Q. And so some of the examples that you
4 offered was -- or included supplementary aerial
5 photography and operational cruising and other sorts of
6 methods that are designed to obtain more stand specific
7 detail?

8 A. That's correct.

9 Q. Now, let me ask you this then: How
10 often would some of these supplementary methods be
11 undertaken and under what circumstances would Industry
12 contemplate that that would be necessary?

13 A. It would depend on a large array of
14 factors actually. How often? It would depend, first
15 of all, on what information is missing. You would have
16 to look at it on a specific case-by-case basis.

17 If you are looking at a TMP, for example,
18 and that -- on that sort of a schedule it would be
19 every five years, that's how often it would be. If you
20 are looking at it on an annual work schedule, it could
21 be every year.

22 I gave an example of an order for a
23 specialty product that's going to be received, it's
24 conceivable to me that a silent operator might want to
25 hustle with there with a helicopter looking for some --

1 whatever it is he has to cut, tamrack or whatever the
2 case may be, because that's what the customer wants.

3 So it would vary considerably, but I
4 would think the most extensive time frame that one
5 would want supplemental information would be five years
6 to correspond to a TMP period.

7 Q. Well, let me focus for a moment
8 specifically on operational cruising, and in light of
9 your answer are you saying that operational cruising
10 should be carried out at least once every five years?

11 A. I'm not saying that at all.

12 Q. Okay.

13 A. It depends on the circumstance. If
14 the timber manager feels that he needs operational
15 cruising to answer some of his questions, then
16 obviously he is going to do it or he should do it.

17 Q. And under what circumstances would he
18 pose that type of question?

19 A. Oh my, there are all kinds of
20 circumstances. A tight timber supply for example,
21 specialty products for example, fairly gross
22 variability in the resource.

23 Taking, for example, dealing with large
24 tracks of jack pine on the same basic agent as the fire
25 went through back in 1917, you could have a pretty good

1 idea what he had out there and he is not going to want
2 to do an OPC because it's expensive and it's going to
3 yield data that's not worth the money.

4 But if he has a whole array of stands
5 that are a result of all kinds of different
6 disturbances and different species composition,
7 different ages, different structures and wood supply is
8 tight and he is managing for a specialty product or
9 even a particular product, not even a specialty
10 product, he may want more information about that area
11 he is managing. So it is going to change according to
12 circumstances.

13 Q. So I think, if I am interpreting your
14 last answer correctly, if the manager is presented with
15 mixed stands or stands that have mixed age class
16 components he might think about an OPC?

17 A. He might, it wouldn't be automatic
18 again. He may have a lot of local knowledge about
19 those particular stands and those circumstances, he may
20 have volume surveys that he did relative to what was
21 harvested several years back relative to what the FRIs
22 said was there.

23 It would depend on awful lot on what kind
24 of data he had, whether it was local knowledge or
25 something, in letters or something or what have you.

1 An OPC would not be automatic under all circumstances.

2 Q. Would an OPC be considered where
3 there is some question or concern about the operability
4 of a particular site or stand?

5 A. If that manager cannot answer the
6 question another way relative to operability, then
7 obviously yes, he would go and look at it on the ground
8 or else he can rent a helicopter and fly over the area.

9 Q. Now, you may recall this, in Dr.
10 Osborne's testimony in Panel 3 he indicated that ground
11 cruising may cover only five to ten per cent of a
12 unit's production forest. Are you in a position to
13 confirm or deny that?

14 A. I recall reading that, yes.

15 Q. Is that generally your understanding
16 of the percentage?

17 A. The context that statement was made
18 in had to do with the rotation age being roughly one
19 every hundred years, 1/100th of a land base, and that
20 general speaking industry manages or operates on a
21 five-year basis, therefore, the Industry would be most
22 particularly interested in the area plans to manage
23 over that five-year term. So five times one per cent
24 is five per cent, roughly.

25 A. Yes, that is the context. Could you

1 ask the question again, please?

2 Q. Well, Dr. Osborn simply indicated
3 that five to 10 per cent of a unit's production forest
4 may be cruised?

5 A. That's correct.

6 Q. And that's your understanding.

7 A. My understanding.

8 Q. It's fairly accurate?

9 A. Yes.

10 Q. Now, Dr. Osborn also indicated that
11 for the last five or six years however - I think he's
12 referring to the period from '82 to '87 - the amount of
13 operational cruising has in fact decreased. Are you in
14 a position to confirm or deny that?

15 A. I can't confirm that's the case and I
16 don't recall that specific statement specifically. He
17 may have said that, I can't -- if we had the transcript
18 I could verify that for you.

19 Q. Okay. Well, I am just simply trying
20 to determine whether or not you know if there has been
21 an increase or decrease in the amount of operational
22 cruising?

23 A. Across the border, no, I don't know.

24 Q. You are aware that there have been
25 certain reports that have advocated or recommended the

1 increased use of operational cruising?

2 A. Could you be more specific?

3 Q. Well, again I hope it's not necessary
4 to pull them all out, but I can tell you that there are
5 documents in this hearing; namely, the Rosehart Report
6 and reports by Raymond Mervart that suggest that:

7 "In light of the problems with FRI, there
8 should be more operational cruising
9 undertaken to ensure that more
10 site-specific and stand-specific detail
11 is learned prior to the harvest."

12 Are you aware of such recommendations?

13 A. I read the Rosehart Report when it
14 came out back in September, '87 I guess it was, and
15 that may have been a recommendation; however, I as a
16 manager would say I am not going to go out and collect
17 that information unless I need it.

18 It makes no sense to me at all to expend
19 that amount of money, and OPC is expensive, for
20 information that offers me no sort of benefit. If I
21 need the information, then I should go and get it; but
22 if I can get the information elsewhere, from aerial
23 photography or local knowledge or some sort of volume
24 study ledgers, then that is where I am going to get it
25 if it's adequate for my needs. It depends totally on

1 the objectives of management.

2 Q. Okay. It's not necessary to pull
3 this out, but in Volume 26 - I do have the number right
4 this time - at pages 4447 and following there is a
5 discussion on this very subject by Dr. Osborn who is
6 being questioned by Mr. Castrilli.

7 And on page 4447 Dr. Osborn agrees with
8 Mr. Castrilli that in certain circumstances operational
9 cruise is the most sensible way of providing that
10 additional information.

11 A. I agree totally.

12 Q. You agree. And I think a few moments
13 ago we discussed what some of those circumstances might
14 be, concerns about terrain or operability, concerns
15 about mixed wood stands or the volume therein
16 contained, those kinds of things are situations where
17 an OPC might be advisable; correct?

18 A. Yes, very correct.

19 Q. Now, given that those
20 circumstances -- well, let me rephrase that. Would you
21 have any difficulty if those circumstances were
22 transformed into criteria and imposed as a term and
23 condition of this Board; i.e., if the Board required
24 that under certain circumstances; i.e., there is
25 concern about operability, there is mix woods stands,

1 some of the concerns or circumstances that we have
2 discussed, if the Board imposes that as a criteria
3 wherein it's mandatory to carry out operational
4 cruising, would you have difficulty with that?

5 A. I would have difficulty with the
6 Board mandating operational cruising, yes.

7 Q. In certain circumstances?

8 A. Even in certain circumstances. With
9 respect to the Board, I don't think they are in a
10 position to judge what circumstances are. I don't
11 think I can sit here and explain how circumstances
12 change and how they differ. I think it has to be a
13 professional decision made by the forest manager.

14 Q. Well, I thought we just discussed
15 some of those circumstances wherein the manager may
16 decide to have operational cruising?

17 A. I said may decide, not will decide.
18 He may decide because the product he's after is such
19 low value, for example - I'm just pulling this out of
20 the air - particleboard, it doesn't too much to him, he
21 may just go ahead and operate.

22 It may be -- it kind of falls into the
23 category of need to know and nice to know. If the
24 manager needs to know that information and he feels
25 that strongly about it, then he will go and get it.

1 Alternatively if he needs to know the information and
2 his budget doesn't allow him to go and look for it,
3 maybe he'll defer management of that area for a number
4 of years.

5 It really boils down to a management
6 decision on the basis of what the forest manager knows
7 and what his level of expertise happens to be.

8 Q. Well, Dr. Osborn seemed to indicate
9 that at least in his experience there are circumstances
10 where an operational cruise would be the most sensible
11 way to get the additional information that's required.

12 MR. FREIDIN: He didn't suggest that it
13 was mandatory in any sense of the words.

14 MR. LINDGREN: Mr. Freidin, deal with it
15 in reply. I'm putting a question now.

16 MR. FREIDIN: Well, don't misquote the
17 evidence of my witnesses, please.

18 MR. LINDGREN: Well, I'm quite satisfied
19 that I did not misquote Dr. Osborn, he did say, and I
20 repeat:

21 "I agree that in certain circumstances
22 operational cruise is the most sensible
23 way of adding that additional
24 information."

25 Q. I subsequently said, he seems to

1 contemplate that there are circumstances where an
2 operational cruise is the most sensible way of
3 obtaining the information.

4 MR. SALTARELLI: A. Well, Mr.
5 Lindgren --

6 Q. Are you telling me that --

7 MR. CASSIDY: Let the witness answer the
8 question.

9 MR. SALTARELLI: I don't know what Dr.
10 Osborn was thinking and judging by this transcript he
11 didn't specify what those circumstances are.

12 I think he's perceiving, as I perceive,
13 that there could occur a set of circumstances, not a
14 specific set that you can write down and define under
15 which you are going to want to go out there and get
16 supplemental data.

17 I accept that, that is going to happen,
18 there is going to be circumstances in which you are
19 going to have data, but I can't write those
20 circumstances down such that every time they happen you
21 have to go and get supplemental data.

22 MR. LINDGREN: Q. And that was my next
23 question: You can't codify those circumstances?

24 MR. SALTARELLI: A. That is correct.

25 Q. Okay.

1 MR. LINDGREN: I have one or two final
2 questions on OPCs, Madam Chair. I would like to put
3 them before the break, if that's possible. I can deal
4 with it fairly quickly, but I'm in your hands.

5 MADAM CHAIR: I think we will have the
6 break now, Mr. Lindgren.

7 MR. LINDGREN: Thank you.

8 MR. SALTARELLI: Thank you, Madam Chair.

9 ---Recess taken at 3:08 p.m.

10 ---On resuming at 3:30 p.m.

11 MADAM CHAIR: Please be seated..

12 Mr. Lindgren?

13 MR. LINDGREN: Thank you, Madam Chair.

14 Q. Mr. Saltarelli, before the break we
15 were discussing operational cruising. I did have a
16 couple of additional questions to pose to you.

17 Could I ask you to have in front of you
18 Exhibit 1073 which is the package of interrogatories
19 filed by Mr. Cassidy.

20 MR. SALTARELLI: A. Yes. Just a minute,
21 please.

22 Q. If you could turn to page 7 of that
23 document.

24 A. Bear with me, Mr. Lindgren, my copy
25 is scrambled, but I have it here. This is MOE's...

1 Q. Question No. 3.

2 A. No. 3, yes.

3 Q. Right. The answer seems to indicate
4 that -- or seems to list various types of information
5 that could be or should be collected to further refine
6 the FRI database; is that correct?

7 A. It could be, yes. But again, if I
8 may just expand upon that, please? This was in respect
9 to making timber management decisions, decision support
10 systems is what it's referring to there.

11 Q. Now, without going through each
12 bulleted item in particular, would you agree with me
13 that most of this information could be gathered through
14 operational cruising?

15 A. No, I wouldn't agree with that.

16 Q. Which ones could not be?

17 A. For example, growth progression is
18 not something you can gather from operational cruising,
19 that is something that is generally established through
20 what's called constructive sampling.

21 Storage on the stump is not something
22 that can be accumulated by operational cruising,
23 that's -- again, I understand it stems from the growth
24 and yield.

25 Response to silviculture intervention.

1 Operational cruising essentially looks for volumes and
2 response to silviculture intervention would be a
3 silvicultural survey.

4 Site species relationships. That to me
5 would be a long-term research project of some kind.

6 Stand dynamics is growth and yield, again
7 that is long term as well.

8 Q. Okay. Well, I think I should have
9 rephrased my question. Perhaps this information could
10 not be collected under the current methods by which
11 operational cruising is carried out but, for example, I
12 understand that the ability of the stand to store wood
13 on the stump is very much a feature of the site class
14 of the area; is that correct?

15 A. It can be. Actually it's probably
16 more important characteristics or features that one has
17 to consider especially when you are looking at
18 something like black spruce. The lower the site class
19 the longer one can store on the stump. If the site
20 class has been adequately defined in FRI, then that
21 question is pretty much answered for you.

22 Q. Sorry, could you repeat that last
23 portion of your answer?

24 A. Site class is a particular feature to
25 FRI, it appears nowhere else. FRI site class X, 1, 2

1 and 3 in descending order of quality, and if we say
2 there is relationship between site class and storage on
3 the stump then we are saying that we can look at FRI
4 and given that the site class is currently assigned, we
5 can come to some sort of value judgment about storage
6 on the stump.

7 Q. Well, that's a big if; isn't it, if
8 the site class has been properly identified through the
9 FRI?

10 A. I wouldn't call it a big if, no.

11 Q. Well, there has been evidence in this
12 hearing, Mr. Saltarelli, to suggest that mistakes in
13 photointerpretation can result in some fairly
14 substantially misclassifications, in fact it can result
15 in a site class error in the amount of 1 to 1.5
16 classes. Are you aware of that?

17 A. I recall something to that effect in
18 the evidence of Panel 3 and I can envisage that
19 situation happening, although I don't think it's a
20 common occurrence by any means.

21 I think because site class is essentially
22 a function or arithmetic function of height over age,
23 if the photointerpreter miscalculates one or the other,
24 there is going to be some sort of error in site class
25 designation.

1 When we were talking about black spruce
2 just a bit earlier, if you will indulge me, and those
3 sort of errors are not altogether common when one looks
4 at black spruce stands. Black spruce stands are
5 particularly easy to interpret from photographs.

6 Q. Do you have any evidence to document
7 that?

8 A. Just my own understanding of it,
9 since I work with FRI not quite on a daily basis but
10 quite often and the management unit in which I work,
11 the Iroquois Falls Forest, is 79 per cent black spruce
12 forest, I feel that I have a pretty good understanding
13 of the relation to FRI of the Iroquois Falls Forest and
14 the actual forest out in the field, it's a pretty good
15 one.

16 Q. Well, perhaps you do, but the point,
17 sir, is this: Mistakes in the interpretation of the
18 heighth of a tree can result in site class error and
19 that kind of error could be corrected through more
20 operational cruising; correct, more ground cruising of
21 the estimates that are made?

22 A. That's quite possible in that
23 circumstance, but I think we would have a difficult
24 time deciding where the error has occurred.

25 I think the only way you would know in

1 some circumstances is to go out and measure the height
2 and age of every single stand in the inventory. The
3 cost benefit of that would be highly suspect.

4 In other words, if you feel that the
5 error is something that is across the management unit,
6 that your photointerpreter has misinterpreted heights
7 by -- he's overestimated heights or underestimated
8 heights, then that inventory is very reliable. He's
9 wrong but he's consistently wrong; therefore, you can
10 apply a factor to it and adjust your site classes
11 accordingly. It's very easy.

12 Q. And how often is an FRI correction
13 factor applied?

14 A. I can't answer that because I'm not
15 familiar with every FRI in the province. In terms of
16 the FRIs with which I am familiar, and that would be
17 probably seven or eight of them, correction factors in
18 terms of volume are applied pretty much across the
19 board. FRI in circumstances with which I am familiar,
20 tends to overestimate volume.

21 Again, that is not a problem because it
22 overestimates volume consistently, so we can apply a
23 consistent factor and adjust it downwards.

24 Q. In your estimation how large is that
25 overestimate?

1 A. It varies. It could be 20 per cent.
2 It varies in species quite often too. We have
3 adjustment factors for every species and every working
4 group. It could be very high for balsam fir, for
5 example.

6 The FRI says there is a given volume in a
7 certain area, the volume may be there but perhaps only
8 half of it is usable because of bud rot or stem rot or
9 what have you. We deduct for cull, we deduct for
10 branches and other means and sorts of deductions are
11 out there in the field.

12 Q. Okay. To this point I have been
13 discussing operational cruising as a method to obtain
14 further silvicultural information about the stands.
15 Are you aware that there have been proposals to combine
16 current operational cruises with cruises designed to
17 obtain information on non-timber or wildlife variables?

18 A. Can you be more specific, sir, what
19 proposals you're talking about?

20 Q. Well, you indicated you are familiar
21 with the evidence and testimony of Dr. Osborn in Panel
22 3 and Dr. Osborn did in fact refer to one such proposal
23 which for one reason or another was not carried out.
24 But were you aware of that?

25 A. Again, the proposal rings a bell,

1 it's a distant one. If I had the transcript I could
2 read it and refresh my memory, I could answer your
3 question more accurately.

4 Q. The point I am getting to is this,
5 Mr. Saltarelli: Given that industry's terms and
6 conditions call for the implementation of integrated
7 resource planning and it calls for the creation of an
8 integrated resource management system databank of some
9 sort -- given that those are the terms and conditions
10 that have been put forward by the industry, would
11 industry support the increased use of combined
12 operational cruises that would gather further and
13 better timber and non-timber information?

14 A. Not without some sort of
15 qualification. You would have to know, first of all,
16 what information is required, we would have to know how
17 much it was going to cost, because OPC in and of itself
18 is a very expensive process.

19 Again, Mr. Lindgren, I think we would
20 have to look at the thing on a case by case basis. It
21 could become a very laborious process.

22 For example, If you went to a complete
23 description of a given site or a given stand or polygon
24 defined by FRI, you might want to collect information -
25 and this again is going to more or less total holistic

1 approach - you might want to gather information on
2 soils, which would require that you dig a soil pit, you
3 might want to study hydrology, you might want to look
4 at flora, micro-fauna, you might want to look at the
5 habitat's suitability of that particular site from a
6 variety of viewpoints whether it's reptiles or ungulates
7 or what have you.

8 So it's quite possible, depending upon
9 the degree of definition you are looking for, that you
10 could spend a week or two weeks or quite a long time in
11 that one particular site studying that site to
12 determine all these different features.

13 And if that were the case, the system
14 would be untenable, it would be totally impossible to
15 undertake. So we would have to look at it and be
16 specific and say: These are the things we have and we
17 would like you to collect and this is what it is going
18 to cost us, or give us the opportunity to determine
19 what it's going to cost and what are the data are going
20 to be used for, that is important to.

21 There is no sense collecting data if you
22 are not going to use them. Then we could probably come
23 to some sort of conclusion as to whether or not we
24 would do it.

25 Q. Well, I would just like to repose the

1 question perhaps a bit more briefly this time, because
2 I am not sure I got the answer that I was looking for.

3 A. I'm sorry.

4 Q. The question was: In light of the
5 integrated resource management planning goals that have
6 been set out in your terms and conditions, would the
7 industry support in certain circumstances the use of
8 these combined OPCs to gather the kinds of information
9 that is necessary to truly integrate timber and
10 non-timber resources?

11 A. That goes back to an earlier response
12 that says that the circumstances are going to change,
13 they are going to be different. No one set of
14 circumstances is going to be the same as another, it's
15 like a fingerprint or a snowflake or what have you,
16 they are all different.

17 And there are going to be circumstances,
18 I am sure of that, although I can't qualify them or
19 quantify them, there are going to be circumstances in
20 which we are going to have to go out there and collect
21 data to satisfy our terms and conditions and, in some
22 circumstances, those data will include non-timber
23 values.

24 Q. And is industry willing to underwrite
25 the cost of gathering that additional information?

1 A. I can't speak for industry in that
2 respect because I don't know what the cost is going to
3 be.

4 Q. Now, this morning you spoke of some
5 of the other initiatives that industry is involved in
6 to supplement FRI information, you referred to GIS, for
7 example?

8 A. Yes.

9 Q. You have also referred to the NORMAN
10 and HSG models. Now, if I could ask you to turn to
11 Exhibit 1076.

12 A. Just one moment please, Mr. Lindgren.

13 Q. These are the overheads that you
14 filed with respect to the OWOSFOP, HSG and NORMAN
15 models?

16 A. All right. My overheads are not
17 numbered. Could you tell me which...?

18 Q. Okay.

19 A. That's the OWOSFOP Forest.

20 MR. CASSIDY: Exhibit 1076, A through G.

21 MR. LINDGREN: Q. Okay. Could I ask you
22 to turn to page B and halfway down those bullet points
23 a statement to the effect that OWOSFOP is a poor
24 indicator of sustainable wood supply.

25 And then turn to page D, again halfway

1 through the bullet points there is an indication that
2 NORMAN and FORMAN are potentially fair indicators of
3 sustainable wood supply.

4 A. All right. I qualified and I was
5 very careful to qualify that when I discussed this
6 overhead. Because of the impression that particular
7 bullet point can give, I saw that after the thing was
8 filed, I didn't want to say that OWOSFOP was a bad
9 model.

10 What I said was that in and of itself
11 OWOSFOP was a poor indicator of sustainable wood supply
12 and that it required that the forest manager take the
13 output, disaggregate it, go to the ledgers, go to the
14 maps and try to repeat the output to spacial
15 considerations and then it works. And that is exactly
16 how OWOSFOP is designed to be used.

17 And the context of that is, is that that
18 disaggregation is a little easier to do using FORMAN
19 and NORMAN and it's not even necessary using HSG, it's
20 done automatically.

21 So in and of itself HSG is a much better
22 indicator of sustainable wood supply than OWOSFOP is.

23 Q. Well, if you turn to page F you
24 actually indicate that it's a potentially good
25 indicator of sustainable wood supply.

1 A. That's HSG.

2 Q. Correct.

3 A. That's right.

4 Q. That's a little bit less definitive
5 than what you have just stated on the record.

6 A. Okay, let me qualify that. That is a
7 good point. If a forest manager loads HSG or any other
8 model for that matter with his set of assumptions and
9 with his growth progression curves and so on, runs the
10 model and says: Gee, there is my answer, then
11 potentially that is the right answer and potentially
12 that is the best way to manage that unit, it's
13 potentially. If he runs it a hundred times, that
14 potential expands by quite a bit.

15 So that is what I was speaking to there.
16 It's much easier to run HSG a hundred times then to run
17 OWOSFOP a hundred times and interpret the output.

18 Q. So if I summarize this document,
19 would you agree with me that there may be certain
20 limitations within the use of these models to predict
21 or indicate sustainable wood supply?

22 A. That is absolutely correct. As I
23 said, we are only mortal and we do not know what the
24 future is going to be, but I believe that it's better
25 to be quantitative and wrong than qualitative and

1 immeasurable, and that is what models provide us with,
2 they give us some sort of measure of our management
3 systems and that is important to us.

4 We know we are going to be wrong because
5 we can't predict the future, if we could predict the
6 future we would all be rich speculating on gold, but we
7 can't, so we try just to -- we try to simulate the
8 future just the best way we can just to get some
9 insights into the systems.

10 Q. Well, in light of the limitations
11 inherent in these models and in light of the ongoing
12 development of the models, of the refinement of the FRI
13 and the development of GIS, would you agree with me
14 that until these superior technical tools or devices
15 are fully in place that it may be prudent to slow down
16 or cap the level of harvest and management?

17 A. No, I wouldn't.

18 Q. Okay.

19 A. Because these systems are on an
20 ongoing evolutionary basis. 10 years ago OWOSFOP was
21 state-of-the-art, we all thought it was a wonderful
22 model. It still is a wonderful model, the same way a
23 Model T is a wonderful car, but you wouldn't want to
24 drive down the 401 in one.

25 Again, I think we as users have to catch

1 up to technology too, there is that technology transfer
2 phase that we have to adjust to.

3 Anyone in the province just about who is
4 a forester understands forest dynamics can run OWOSFOP,
5 apply it -- disaggregate it, apply it to a situations
6 and use it effectively. He can draw on a
7 micro-computer that is very inexpensive and requires a
8 fairly limited amount of data preparation, the output,
9 and not that difficult to work with.

10 However, the number of users of FORMAN
11 and NORMAN is a much more restricted group by virtue of
12 knowing how to use it. It's not that difficult to
13 learn, but again NORMAN has just really been introduced
14 onto the Ontario scene and more and more people are
15 starting to use it now, and I would anticipate that
16 sooner or later it will be as wide spread in use as
17 OWOSFOP is.

18 HSG is going to take a lot longer time
19 because it's super high tech, not everyone has
20 expertise to run it, not everyone has the hardware to
21 run it or the software or the database for that matter.
22 Again, it's a very selective, very specific database
23 that not everyone has access to, and I would think that
24 by the time we have waited for management planning to
25 catch up with technology, technology is going to be far

1 afield again because technology is just going to keep
2 on moving, it's not going to sit still and wait.

3 Q. How far down the road do you foresee
4 HSG being fully available across the area of the
5 undertaking, if at all?

6 A. The primary dataset of HSG is FRI
7 that has been digitized, and that means that someone
8 has gone to a digitized table with a digitizing pen,
9 which is this one with a cord attached to it, and he's
10 traced every polygon and he's assigned attributes to
11 that polygon. That's a very slow, laborious process.

12 It would take, I estimate - and Dr.
13 Osborn would be better to answer this question - if MNR
14 put the thing into high gear they might have the
15 province digitized in five or six years, again that's
16 just a figure off the top of my head.

17 So if you want it to be applied
18 universally because of the physical limitations of
19 digitizing all that data. Remember the Iroquois Falls
20 Forest is a small FMA, it's about I guess 74,000 square
21 kilometres, I'm not -- or yes, hectares I guess it is,
22 I am not too sure about that.

23 It's about that, and it required
24 something in the neighbourhood of, what did I say, how
25 many billion bytes. Something incredible. And that is

1 a massive amount of information.

2 If you applied that kind of data
3 requirement across the board, it's pretty daunting. I
4 don't know how long it would take to collect all that
5 information and by the time it was collected I would
6 say that OWOSFOP would be -- I'm sorry, a HSG would be
7 obsolete. HSG may be obsolete in six month's time.

8 Q. Six months from today?

9 A. Quite possibly. There would be
10 something that is based by HSG that does more is what
11 I'm saying. The technology available for this sort of
12 modelling appears to be virtually unlimited because
13 computers are getting faster, storage capability is
14 jumping by leaps and bounds; it appears to be just
15 unlimited.

16 Q. Well, if I understand your testimony
17 correctly then, sir, are you telling me that you can't
18 tell me if or when HSG will ever be implemented in this
19 province?

20 A. It will be... Excuse me?

21 Q. Implemented or used.

22 A. It's being used now.

23 Q. Well, more widely across the area of
24 the undertaking.

25 A. Well, no, I can't but I can predict

1 when all of the requirements to run the model will be
2 satisfied.

3 I think anyone who is committed to using
4 HSG, who says I'm going to digitize my forest land
5 base, I'm going to acquire the hardware that HSG
6 demands - again, it's going to be available on a PC
7 very shortly - can do it. So the availability is there
8 and the knowledge of that availability will become
9 widespread very shortly. I don't how long it will take
10 but it won't be very long.

11 The model has been presented to the GIS
12 symposium in Victoria or Vancouver just a few weeks
13 ago, it was presented in Montreal at the CTPA annual
14 convention at the end of March, so a lot of people know
15 about it and knowledge of that model is spreading very,
16 very rapidly.

17 There are going to be other reports
18 produced. Tom Morrow who is the author of the model is
19 going to, according to his plans, produce an article
20 for the Forestry Chronicle or some such similar
21 publications for foresters around the province and
22 Canada and even the United States are going to have
23 access to that model. So anyone who wants it and is
24 dedicated to it and likes what he sees can have that
25 model..

1 Q. Provided that it can also be
2 afforded. You said it was an expensive process?

3 A. Well, the model is essentially free.
4 If he -- I don't think he is going to go out -- he or
5 she, a forest manager is going to go out and invest a
6 whole bunch of money in a geographical information
7 system just to run HSG.

8 HSG is a tool that borrows very heavily
9 on GIS technology and that forest manager is going to
10 acquire his or her GIS for lots of other reasons
11 besides HSG.

12 So I don't know if I have answered your
13 question, Mr. Lindgren, but the expense of the thing is
14 kind of a -- it is kind of a secondary consideration
15 when you consider what GIS technology is and what it's
16 used for primarily.

17 Q. Well, let's return to OWOSFOP which
18 is being used now.

19 A. Yes.

20 Q. Could I ask you to turn to page 40 of
21 your witness statement.

22 A. Sir, I have it here.

23 Q. The second sentence of the second
24 paragraph reads that:

25 "However, given the current imprecision

1 in linking allowable depletion of
2 forest area to actual volume recoveries,
3 and the inclusion of inoperable
4 and non-economic stands in the
5 production forest land base, surplus
6 calculations aren't imprecise. This
7 imprecision may cause a declaration of
8 surplus that may not, in fact, exist."

9 A. That's correct.

10 Q. Now, turning first to the issue of
11 linking depletion to actual volume recoveries. Can you
12 confirm for me that OWOSFOP calculates allowable
13 depletion in area not volume?

14 A. That iss correct.

15 Q. And, in fact, the volume estimates
16 are calculated for the depletion area on the basis of
17 FRI and other cruise information?

18 A. That's correct.

19 Q. Local information as well, knowledge?

20 A. That's correct, yes.

21 Q. So if there is a problem in terms of
22 the actual volume recoveries, would you agree with me
23 that this suggests or indicates that the FRI or cruise
24 data or the local knowledge is somehow deficient or
25 that they are inaccurate?

1 A. The FRI is without question deficient
2 in its relationship to volumes. That's something we
3 recognize and deal with or deal with that on a
4 day-to-day basis. There is no deficiency in OPC or
5 cruising because it's not related to regulation.

6 We are talking about regulation. Now,
7 there is a difference between regulation and
8 allocation. One would collect OPC data for a specific
9 piece of real estate; in other words, the five-year
10 plan. One wouldn't go out and collect data for his or
11 her entire unit because - well, for a variety of
12 reasons - it was expensive and the currency of the data
13 is important, so on and so forth, so OPC doesn't get
14 into it.

15 But you are quite correct in assuming
16 that volume recoveries are probably the FRI's weakest
17 link in this respect, in respect to regulation.

18 Q. And in that sense, I take it that
19 Industry agrees with Dr. Baskerville's suggestion that
20 the link between area of harvest and volume of harvest
21 needs some substantial improvement?

22 A. We agree with that; yes, sir.

23 Q. Now, could I ask you to turn to
24 Exhibit 1094 which is the package of interrogatories
25 that I filed on behalf of Forests for Tomorrow and I

1 would direct your attention to question No. 2.

2 A. Yes.

3 Q. This is where you reproduce the
4 statement that I've just read into the record and then
5 we asked:

6 "By what percentage are the surplus
7 calculations in error..." and we asked
8 for examples, and the answer goes on to indicate that
9 it's essentially difficult to express the imprecision
10 in terms of a percentage because the things that affect
11 surplus calculation are not easily quantified.

12 Is that the sum and substance of that
13 answer?

14 A. That's quite correct, yes.

15 Q. Can you advise me, what kind of range
16 of imprecision or inaccuracy that we are talking about?
17 Are we talking about 50 per cent off, one per cent off?

18 I am not asking you to expressly quantify
19 the imprecision, but can you give us a ballpark figure?
20 How far off is it?

21 A. Are you asking for a specific
22 circumstance?

23 Q. Well, we asked for examples and we
24 didn't see any examples. We are still wondering what
25 kind of range of imprecision are we talking about?

1 A. That range is going to change so much
2 with, first of all, the FRI that it's based on, so much
3 with the area for which the harvest was produced, the
4 age of the FRI and so on, but I think it would be
5 faulty to hazard a guess and it would be just a guess
6 and I don't think it's really worthwhile.

7 Q. Did you write this answer?

8 A. I wrote the answer, yes.

9 Q. I take it that you are aware of
10 situations where there has been imprecision?

11 A. Imprecision of surplus calculations?

12 Q. Correct.

13 A. Yes, I have.

14 Q. What's the largest that you are aware
15 of?

16 A. Well, again, even -- this is going to
17 be a difficult concept for a non-forester to
18 understand, but even in a situation where we have a MAD
19 run that depicts a certain area of maximum allowable
20 depletion and we have a number and we look at that
21 number, we look at the land base and we would say
22 something is wrong there and we know that something is
23 wrong, but it's very difficult to quantify.

24 We can -- if you are looking for a
25 ballpark on them, we can probably give a ballpark and

1 say that the MAD run says that there's whatever, "x"
2 hectares available to MAD, our long range wood supply
3 projections based upon a variety of models or sizes
4 that we may undertake indicate that it is something
5 less than that, then we can come up with some kind of
6 percentage. And a situation I can think about is,
7 again, Iroquois Falls Forest and that's changed with --
8 I'm referring back to the study that was done back in
9 1983 based upon the OWOSFOP model that had been
10 upgraded a bit.

11 It indicated that the OWOSFOP
12 overestimated by perhaps as much as 25 or 30 per cent.
13 I'm recalling back to 1983 now, so that was quite some
14 time ago. We ran the wood supply scenario for Iroquois
15 Falls Forest using OWOSFOP and using HSG and that
16 indicated roughly the same.

17 If you try to relate volumes to OWOSFOP
18 and you related volumes to the HSG there is a
19 difference of a couple hundred thousand cubic metres a
20 year which could be 25 or 30 per cent, but that's a
21 very specific circumstance. It is quite possible with
22 the random model for areas farther south the difference
23 may be very slight or even greater.

24 Q. So you can't determine whether or not
25 the figure you just gave me is typical?

1 A. Oh, no, I can't. I would say offhand
2 that it isn't.

3 Q. Okay. Would you agree with me by not
4 knowing or not being able to quantify the surplus,
5 aren't you in effect saying that you don't know what
6 the production land base is?

7 A. No. See surplus -- let's clarify
8 what surplus is now. Surplus falls out of OWOSFOP. It
9 means you have an area that is presently available that
10 exceeds your present needs.

11 If we were to say that we need that
12 surplus in future and then we can carry that surplus
13 forward on the stump in future, which is storage on the
14 stump, if that area is needed it's no longer surplus.
15 Something that is needed is not a surplus, even though
16 it's still called a surplus by virtue of - meeting
17 those criteria that you have - an area that is
18 available at the present time that you don't need at
19 the present time.

20 Have I answered your question?

21 Q. Well, I am looking at the last part
22 of the answer to Question 2, it says:

23 "...such areas include..."

24 Well, you are referring to areas that are
25 unsuitable for harvesting and you go on to indicate:

1 "...such areas include sands and poor
2 access or marginal operability and those
3 areas for which a use other than timber
4 production may be contemplated."

5 A. That's correct.

6 Q. So that's why you sometimes end up
7 with a surplus that may in fact not exist?

8 A. Those are some of the reasons. I
9 guess it would be that if your land base includes those
10 areas and we know about those areas, then it's going to
11 give you apparent -- a MAD that is fairly larger than
12 it should be, but that's when you get down to looking
13 at the maximum allowable depletion on the unit level,
14 looking at the maps, look at the ledgers, rationalizing
15 the thing.

16 If the MAD says that you can cut a
17 thousand hectares and you know in this area that there
18 are 150 hectares of reserve, then you qualify your MAD.
19 It drops from a thousand down to 850 in that case. If
20 you know that part of that MAD in that area involves
21 marginal stands, then you attend to your allocation
22 accordingly.

23 So the key to the thing is, use the MAD
24 calculation as a tool and you manage around it.

25 Q. Well, let's turn for a moment to the

1 conclusion of these non-economic or inoperable areas.
2 The suggestion on page 40 is that their inclusion seems
3 to be causing some sort of a problem in terms of the
4 precision of the surplus declaration.

5 If that is the case, sir, the inclusion
6 of those areas is causing a problem, then why are they
7 included in the land base for determining the allowable
8 cut?

9 A. They can be taken out. It is a bit
10 of a chore, it is a large chore. It requires that each
11 and every sliver is measured and where it's practical I
12 think it's a good idea to take them out. It would give
13 you a better idea of what your wood supply is, but
14 there is a question here, an area that is marginal now
15 or slated for other use now may change.

16 Five years down the road maybe that stand
17 is going to be harvestable, maybe the use for which it
18 was intended is going to change, perhaps the canoe
19 route is no longer applicable, perhaps the managing for
20 beaver is no longer a concern because the trees grew
21 bigger and the beaver have left.

22 What I'm saying is that there is a
23 dynamic resource out there, so you may want to withdraw
24 some areas and those mechanisms do that in FMAs,
25 withdraw those.

1 Q. Can you do that in advance of the
2 plan? Can you do that while you are formulating the
3 plan?

4 A. Withdrawls?

5 Q. Yes?

6 A. Yes, there is a --

7 Q. So does the planner know all the
8 inoperable areas and the uneconomic areas?

9 A. No, we doesn't.

10 Q. And this is despite the fact that
11 Industry has assured us that they have lots of local
12 knowledge?

13 MR. CASSIDY: Well, I don't think the
14 Industry is taking that position. That's really not a
15 fair question.

16 MR. LINDGREN: Well, it is a fair
17 question.

18 MR. CASSIDY: It sounded like an
19 editorial comment. He has not heard all the Industry's
20 case and what we are talking about - and you are going
21 to hear it in our planning panel - is a very straight
22 forward proposition to deal with increases to the
23 database and I don't think that -- even the tone is
24 unfair.

25 MR. LINDGREN: Well, Mr. Cassidy, with

1 respect, the comment did derive totally from a
2 statement found in the witness statement, page 37, the
3 second paragraph:

4 "Industry has conducted timber management
5 activities in various management units
6 within the area of the undertaking for
7 many years and many companies have
8 accumulated detailed stand data for those
9 units."

10 Again, during his oral testimony this
11 morning Mr. Saltarelli indicated that the managers know
12 these units because they've worked on them for years
13 and now he is telling me that there are many situations
14 or in some situations the managers lack the basic
15 information about the presence of inoperable or
16 non-economic areas.

17 MR. CASSIDY: No.

18 MR. LINDGREN: Q. If that is the case,
19 sir - I think it is a fair question - if that is the
20 case, how can the public be assured that Industry is
21 practising site specific forestry when it lacks
22 database information?

23 MR. SALTARELLI: A. I don't see a
24 problem with that. I guess it depends on the severity
25 of the ignorance. If the forest manager is ignorant

1 about a large percentage of his land base, I think the
2 public has a real good reason to be skeptical, but I
3 don't see it as a problem.

4 For one thing, I will remind you that we
5 practise timber management activities on specific areas
6 and we undertake to learn as much about those specific
7 areas before we undertake our management plans and
8 activities. The previous pages that you referred to,
9 which spoke to OWOSFOP and the interrogatory No. 2, was
10 speaking to regulation which is over the entire forest.

11 So we have very good knowledge about the
12 areas we intend to undertake specific treatments or
13 preparations in, but across the entire land base we
14 haven't got the same degree of knowledge. One thing,
15 it's not necessary; another thing is we can acquire it
16 at some great expense and great effort, but it is going
17 to change.

18 That information is not going to be the
19 same information five years down the road or ten years
20 down the road because the resource dynamic is going to
21 change, and that's what we are saying. We plan very
22 careful on a site-specific basis and that may be five
23 per cent of the management unit, that doesn't mean we
24 have to have total knowledge of a hundred per cent per
25 management unit.

1 Q. Well, let's return to first
2 principals here. I think you indicated at the very
3 outset of this conversation that leaving these areas in
4 will inflate the MAD calculation?

5 A. I think that you are confused about
6 regulation is, and that's quite all right because a lot
7 of people are and --

8 Q. Well -- go ahead.

9 A. And regulation is based upon your
10 entire land base. It takes everything in your land
11 base and says: Based upon what you have out there,
12 this fairly basic description of what you have out
13 there, this is indicated as what you should look at
14 managing or depleting or what have you. That's what
15 regulation does. It looks at the whole picture and
16 says: For this time frame you should look at an area
17 in this magnitude -- of this magnitude. From that
18 stage forward, the forest manager looks at specific
19 areas and that's when he starts getting down to the
20 very detailed planning.

21 So regulation is a very broad sort of
22 tool, an indication of the direction in which a manager
23 should go, but he takes that broad tool and he applies
24 it on the ground and he applies all the constraints to
25 it, he applies all the data he has collected for that

1 area or needs to collect and he plans on a very site
2 specific basis; one is regulation and the other is
3 allocation, they are two separate things.

4 Q. Well, I may be confused about this
5 but I don't think so and I don't think Dr. Baskerville
6 is. Let's turn to page 15 of Exhibit 16 which is the
7 Baskerville Report.

8 A. If you would just bear with me, Mr.
9 Lindgren, for a second here.

10 MADAM CHAIR: Mr. Lindgren, will the
11 Board need Dr. Baskerville's Report?

12 MR. LINDGREN: Pardon me?

13 MADAM CHAIR: Will the Board need Dr.
14 Baskerville's Report? How long is the statement that
15 you are going to read?

16 MR. LINDGREN: I was just going to read
17 two quotations. I hadn't planned to use it, but I
18 think it is now necessary to do so.

19 MR. SALTARELLI: I have Exhibit 16 now.

20 MR. LINDGREN: Q. Okay. Can you first
21 turn to page 15?

22 MR. CASSIDY: Madam Chair, I may be able
23 to give you a copy of that--

24 MADAM CHAIR: Thank you, Mr. Cassidy.

25 MR. CASSIDY: --if you can ignore the hen

1 scratches on here. (handed)

2 MR. SALTARELLI: Yes, Mr. Lindgren, I'm
3 ready.

4 MR. LINDGREN: Q. Okay. Under the
5 heading Determination of Area and Rotation, Dr.
6 Baskerville writes:

7 "In area regulation any actions that
8 decrease rotation age or that increase
9 the area base have the effect of
10 increasing the allowable annual
11 depletion. The reverse is also true.
12 The credibility of an area approach
13 to regulation largely depends on how the
14 area base and the rotation are set."
15 Now, I take it you would agree with those
16 principles?

17 A. That's correct, yes.

18 Q. Now, turning to page 16, the last
19 full paragraph, it says -- the paragraph that starts
20 with:

21 "One potential problem with the MAD base
22 is control lies in the handling of
23 reserves..."

24 And part way through that paragraph
25 there is a sentence that starts:

1 "If reserve area that is allocated but
2 not harvested accumulates to an
3 appreciable size it will have the same
4 effect as inflating the land
5 base. In this circumstance, reserve
6 areas in all likelihood will not
7 remain in the MAD base and contribute to
8 the size of the allowable harvest area.
9 Since the harvest actually comes from
10 outside these areas, this necessarily
11 means that the latter area is
12 overharvested."
13 And he concludes:
14 "The retention of reserves in the MAD
15 base where there is no continue intention
16 to harvest these areas has the effect of
17 concentrating the harvest on a smaller
18 area. Areas that will not be
19 harvested for whatever reason should not
20 be in the MAD base", which brings me to
21 the question I put to you a few moments ago.

22 You indicated that managers or planners
23 do not know the location of inoperable or non-economic
24 sites or stands and yet they are left in the MAD --
25 they are left in the MAD base and my question to you

1 was: Doesn't this inflate the allowable cut
2 calculation?

3 A. Okay, I will qualify that first of
4 all. The timber manager may not know on a general
5 level where those areas are. He or she may, on the
6 other hand, identify a specific forest unit, for
7 example, he or she may say the spruce forest unit,
8 which is a very low site class spruce, is its own
9 forest unit for which its own MAD would be calculated.

10 If he or she does that, then he has or
11 she has the tests that have segregated that inoperable
12 criterion from his forest, he or she can operate or
13 manage accordingly.

14 Another thing to bear in mind is that
15 maximum allowable depletion does not equal harvest.
16 Maximum allowable depletion -- okay, if you are
17 familiar with that then I won't burden you with the
18 details.

19 I agree with Baskerville insofar as if
20 you can identify an area or a group of areas or what
21 have you that for any reason will not be harvested,
22 then it makes sense to withdraw those areas from the
23 the MAD land base. Again, I would qualify it by saying
24 the intended use for that area may change in future.

25 Again, regulation looks at long term as

1 well as short term. So, yes, it should be removed if
2 it's not going to be harvested at all, it would make
3 good sense to remove it, but if the use for that area
4 may change then it may not make good sense to remove
5 it.

6 Q. Let's conclude my reference to
7 Baskerville by turning to page 21 of the document.

8 A. Yes, sir.

9 Q. And in the top paragraph, the
10 sentence begins:

11 "A further issue here is the allocation
12 of areas of forest that are not
13 harvestable either by reason of site or
14 inoperability. Although this is a matter
15 of what should be in the MAD base, such
16 an allocation is not a realistic
17 reflection of what will actually be done
18 in the forest. Allocation of area
19 that will not be harvested leaves the
20 plans as somewhat theoretical notions
21 rather than working documents used to
22 guide an actual change in the forest."

23 Now, in light of your most recent answer,
24 I take it that you would agree with Baskerville on that
25 point?

1 A. I agree with it just from my limited
2 understanding of the context. If you wouldn't mind I
3 would like to read the entire section here.

4 MADAM CHAIR: Excuse me, Mr. Lindgren,
5 are you going to be finished at five?

6 MR. LINDGREN: Mr. Cassidy just posed
7 that very question to me.

8 MADAM CHAIR: We know, we heard him.

9 MR. LINDGREN: It is taking me a little
10 more time than I anticipated. I may be very close to
11 finishing at five o'clock, but I might need 10 or 20
12 minutes tomorrow morning.

13 Q. Mr. Saltarelli, have you refreshed
14 your memory as to what Baskerville said on this issue?

15 MR. SALTARELLI: Just about, sir, just
16 give me another minute.

17 MR. CASSIDY: I didn't realize my voice
18 carried so much.

19 MADAM CHAIR: You were whispering
20 actually.

21 MR. SALTARELLI: So the question is, if I
22 may clarify it: Do I agree with Dr. Baskerville's
23 statement that:

24 "...allocation of the area that is not to
25 be harvested leaves the plans as somewhat

1 theoretical notions rather than working
2 documents..."

3 Is that right?

4 Q. That's correct.

5 A. I agree with Dr. Baskerville in that
6 respect.

7 Q. Okay. And the point being that if
8 the inoperable areas or non-economic areas are not
9 identified in advance and are not removed from the land
10 base, then the MAD calculation will be inflated?

11 A. If you equate MAD with depletion. If
12 you had to allocate - and I believe this is somewhat
13 theoretical - one could get the notion by looking at an
14 allocation map that an area around the lake might be
15 part of an allocation, but we know that it's not going
16 to be harvested because there is a shoreline reserve
17 around that lake.

18 In essence, that reserve becomes part of
19 the allocations. It's not going to be harvested but
20 it's still part of the allocation, the maximum
21 allowable depletion allocation. I believe that yes,
22 there is a good possibility for a misunderstanding of
23 what allocation means; what's allocated for harvesting
24 and what isn't, but it's qualified.

25 Q. Well, again, I think the question was

1 simply this: Does leaving in those areas inflate the
2 the MAD or not?

3 A. I'm afraid the question is not that
4 easily answered and I am doing a poor job explaining it
5 to you and I apologize.

6 It inflates the MAD insofar as if you
7 equate the MAD with actual physical depletion --

8 Q. Sorry to interrupt, but I am just
9 concerned about the MAD. Let's leave depletion for the
10 moment. We will turn to that, I assure you.

11 A. Well, MAD is the maximum allowable
12 depletion. It is the same thing.

13 Q. Versus the actual cut. I thought
14 that was the distinction that you gave me.

15 MR. CASSIDY: Madam Chair, the witness is
16 trying to be as helpful as possible, he has already
17 indicated that. I think he should be given the
18 opportunity to be helpful.

19 MADAM CHAIR: Yes. Proceed, Mr.
20 Saltarelli.

21 MR. SALTARELLI: Thank you, Madam Chair.
22 What I'm saying, Mr. Lindgren, is that there is a
23 possibility here that the MAD can be misinterpreted as
24 equal to harvest area and I don't think that's the
25 case.

1 Now, bear with me, please. If one
2 allocates an entire land base including reserves and
3 operable areas, what regulates on that land base, he is
4 going to get -- he or she is going to get a number that
5 says that is the maximum allowable depletion. He or
6 she will allocate that number on the stand maps.

7 What I'm trying to say is that deductions
8 from that number will take place in inoperable areas
9 and areas for which there are other reasons that timber
10 management is contemplated for that particular area.

11 I also believe, I said before, if a
12 manager can identify those areas for which he or she
13 knows unequivocally that timber management will never
14 be part of the strategy for that area, then that area
15 should be removed from the land base because it
16 inflates it.

17 Q. Would you agree with me then that the
18 manager should undertake his best efforts to determine
19 these areas in advance so they are in fact removed
20 prior to the MAD calculation?

21 A. We addressed that in our planning
22 evidence and I think we are really getting into the
23 planning aspect of this very heavily, and we support
24 the notion of - I don't use the word notion in the
25 derogatory sense - we support the need for a values map

1 or a values inventory of some kind to enter into your
2 resource inventory and that could be certainly part of
3 the process, identifying those values on a
4 site-specific basis.

5 And I really think, Mr. Lindgren, you
6 would be better off addressing those questions to our
7 planning panel because they can answer it far better
8 than I can, because you are getting away from the
9 allocation question now with which I am most familiar.

10 Q. Well, I am not sure I agree with you,
11 sir. I think we are discussing the very determination
12 of allocation and I think that is a crucial and
13 critical issue that this wood supply panel should be
14 addressing and, in fact, you have been addressing it to
15 some extent.

16 Now, if I could just confirm - and again,
17 if I understand you correctly - you have indicated that
18 in certain circumstances leaving these areas in will
19 inflate the MAD calculation?

20 A. That is correct.

21 Q. Now, that's just merely leaving them
22 in; that is just their mere physical inclusion in the
23 land base?

24 A. It's not really physical, it's a
25 number.

1 Q. It's a number, okay.

2 A. The number is bigger than it should
3 be.

4 Q. Would you agree with me that it's
5 conceivable that many of these inoperable or
6 non-economic areas may also contain older stands?

7 A. I don't quite follow your logic.
8 Could you explain that, please?

9 Q. These sites that are determined one
10 way or the other to be non-economic or inoperable may
11 in fact contain older age classes?

12 A. I think it's equally probable that
13 they will contain mature age classes, young age
14 classes, whatever, and a lot of it has to do with
15 proximity, not so much with the age of the stand.

16 Q. Okay. But I think I asked my
17 question: It's conceivable that it could include older
18 stands?

19 A. And my answer is that, yes, as well
20 as younger stands or any other age of stands.

21 Q. Okay. Now, in light of that answer
22 and as a general proposition, would you agree with me
23 that if the stands are older the inclusion of these
24 inoperable or uneconomic areas may in fact inflate any
25 accelerated cut that may be determined for this area?

1 A. Absolutely, by virtue of the fact
2 that average age regulation weights the maximum
3 allowable depletion according to the age and area
4 relationship.

5 Q. I take it that you are aware that Dr.
6 Baskerville raised some concerns about the accelerated
7 cut?

8 A. Yes, I believe he did.

9 Q. I am referring particularly to page
10 19 of his report.

11 A. Can you tell me what line
12 specifically so I can...

13 Q. I am looking at the last two lines of
14 the last paragraph where Dr. Baskerville indicates
15 that:

16 "Acceleration creates more area of young
17 stands than should be created with the
18 result that the age class becomes
19 allocable for harvest in "r" years, will
20 have too much area in it leading to
21 further acceleration. The rationale for
22 use of accelerated harvesting in the OMNR
23 is not clear."

24 Then continuing onto the next page,
25 second line:

1 "Because acceleration is intentional
2 short-term overharvesting it also means
3 that there must be a decrease in both the
4 area depleted and the volume generated
5 by that depletion over time."

6 And then skipping the next line:

7 "It is not clear why acceleration is
8 mandated in the OMNR when it is clear
9 that there are insufficient markets
10 to absorb the volume generated by
11 harvesting the additional area."

12 And then skipping down to the second last
13 line Dr. Baskerville concludes:

14 "Acceleration as mandated in current
15 planning is not based on sound biological
16 and economic principles."

17 Do you agree with all of those statements
18 that I have just read into the record?

19 A. I agree, but I will qualify it; that
20 is that at the time Dr. Baskerville wrote this report
21 this was the major concern of many of us in forestry
22 but the Ministry - and I think I may have to ask a
23 representative of the Ministry to qualify this for me -
24 I think the Ministry has abandoned or at least tempered
25 their policy about oldest first allocation and

1 acceleration, more or less taking regulation modeling
2 on a space value and just accelerating. I think that
3 is no longer the means of management in Ontario.

4 Q. Is it your understanding then that
5 accelerated harvest no longer occurs anywhere
6 throughout the area of the undertaking?

7 A. No, I didn't say that. There is some
8 very good reasons to undertake accelerated harvesting.
9 I can think of specific examples where the age class
10 distribution of a given species is such that the
11 options are harvest it and utilize it or let it fall
12 down.

13 So obviously if you are going to harvest
14 it and utilize it, as it's a sizeable area, it may
15 require some accelerated harvesting and, in that case,
16 it seems to me to be a logical management decision to
17 accelerate that harvest. It's just a sensible thing to
18 do from a timber supply standpoint.

19 So the answer is, no, accelerated
20 harvesting I am sure is happening.

21 Q. I will return to that in a moment,
22 Mr. Saltarelli. I would just like to finish off
23 Question No. 2 -- or Interrogatory No. 2 from Forests
24 for Tomorrow.

25 And as I mentioned earlier, the last line

1 indicates that inoperable or non-economic areas may be
2 or may include stands with poor access or marginal
3 operability and those areas for which use other than
4 timber production may be contemplated.

5 Now, could those latter areas become
6 areas of concern?

7 A. Areas of concern. I think they could
8 be by virtue of the fact that virtually any area,
9 regardless of how you qualify it, could become an area
10 of concern depending on what the concern is.

11 Areas of poor access aren't necessarily
12 areas of concern, they could be if they represent some
13 sort of other value that has nothing to do with access,
14 for example. Marginal operabilty quite possibly, there
15 could be another use contemplated for that area. That
16 has nothing to do with operabilty, but it has another
17 perhaps value that has to be protected.

18 Q. Well, I am speaking more specifically
19 of the latter category of areas that is referred to the
20 answer and that is areas for which use other than
21 timber production production may be contemplated.

22 A. Okay.

23 Q. Go ahead.

24 A. Essentially what I was about to say
25 is that it depends on the time frame. If that area is

1 special, if for example it has some cultural value
2 there is a burial mound or a dog effigy or something in
3 that area and there is no way it should ever be
4 harvested, then that's a feature that defines that area
5 as more or less away from the timber management
6 planning sort of influence.

7 But if I allude back to a certain age
8 class of poplar that may be needed to sustain a beaver
9 population. There are other examples I am sure but
10 that one seems the most easy to understand.

11 Beaver like young poplar and once they
12 get to a certain age they leave because the poplar is
13 too old, they won't cut it down any more, and obviously
14 if that is the purpose for which that stand is
15 intended, to support beaver populations, then that is
16 going to change. In other words, within a few years
17 time perhaps we can harvest that stand because the
18 beaver have left.

19 So what I am saying is the key word there
20 is may be contemplated as timely, it depends on what
21 time frame you are looking at; permanent, temporary, or
22 possibly temporary time limit.

23 Q. Let me make this suggestion, Mr.
24 Saltarelli, and you can indicate whether you agree or
25 disagree.

1 But I interpret that answer as indicating
2 that these other uses are more or less decided by
3 default, the decision or the determination has been
4 made that: Well, we can't cut it, so we will just
5 leave it for some other use. Is that a fair
6 interpretation of that answer?

7 A. Are you saying that industry can
8 decide what the other uses are?

9 Q. No. I am asking: Is that how -- you
10 have indicated such areas could become AOCs and I am
11 wondering, do they become AOCs by default?

12 A. No.

13 MADAM CHAIR: Mr. Lindgren, haven't we
14 heard evidence from the Ministry that areas of concern
15 are developed to protect other values.

16 Are you saying that because there is a
17 surplus -- an area that is part of a surplus
18 calculation wouldn't be an area of concern?

19 MR. LINDGREN: No, in particular I am
20 interested in these inoperable and non-economic areas,
21 and if I interpret this answer in the latter part of
22 this answer correctly - I am not sure I am, and that's
23 why I am asking, Mr. Saltarelli.

24 The primary determination is: Can we cut
25 it, is it operable or is it economic; if it's not, then

1 maybe it will become an AOC.

2 MADAM CHAIR: The primary determination
3 is can we cut and does the Ministry of Natural
4 Resources have some other purpose for this land that
5 has to be protected.

6 MR. LINDGREN: That is what I am trying
7 to elicit from the witness.

8 MR. CASSIDY: I have some problem with
9 this because I think - we can hear from the witness -
10 but I think the evidence is clear that the industry
11 doesn't make the determination of where you harvest.

12 I think for the past number of months we
13 have been hearing that decision rests with the
14 Ministry. So I think this question may in fact not be
15 properly put to these witnesses because we have already
16 heard evidence that my clients don't make that
17 decision.

18 MR. LINDGREN: Q. Very well. But let me
19 ask you this - I think this is a question that I
20 believe the industry should be in a position to
21 answer - how many of these inoperable or non-economic
22 areas are left for other uses? What type of area, what
23 size of area are we talking about?

24 MR. SALTARELLI: A. The easy answer to
25 that question is I don't know, because it's so

1 variable. I understand --

2 MADAM CHAIR: Could you give us an
3 example, just maybe one or two examples from the
4 Iroquois Forest, Mr. Saltarelli, where there would have
5 been an inoperable area.

6 MR. SALTARELLI: An inoperable area that
7 became an area of concern or just inoperable area?

8 MADAM CHAIR: I don't understand Mr.
9 Lindgren's question. Are you just saying an inoperable
10 area generally?

11 MR. SALTARELLI: Let me give you an
12 example of an inoperable area. For example, an area of
13 black spruce which is site class 2, therefore part of a
14 productive land base which has begun to deteriorate for
15 one reason or the other and it's falling down, such
16 that the volumes are not economic to recover or perhaps
17 dangerous to go in there because the trees are lying
18 all over the ground and people might get hurt. That
19 could be an inoperable area. I suggest that is one
20 example.

21 MR. LINDGREN: Q. I think I might be
22 able to state my concern in the following way. Of the
23 areas that are unsuitable for harvesting, how many are
24 left because they are inoperable and uneconomic, and
25 how many are left because of the presence or potential

1 for other uses?

2 Are you in a position to answer that.

3 MR. SALTARELLI: A. I think I am
4 beginning to understand your question. I think - now
5 let me try to rephrase it for you. How many areas are
6 inoperable because there is another use intended for
7 it, is that part of your question?

8 Q. That wasn't the way I phrased it.

9 A. Okay.

10 Q. We have areas that are unsuitable for
11 harvest.

12 A. Okay, for one reason or the other.

13 Q. They are bypassed.

14 A. Okay.

15 Q. How many are bypassed by reason of
16 inoperability and uneconomic nature of the stand, how
17 many are bypassed because other uses are contemplated
18 for that area?

19 A. It's difficult to quantify. You are
20 speaking of shore reserves, for example. Those areas
21 are not harvested because there is another use intended
22 for that area. Is that what you mean?

23 Okay. I can't answer that question
24 because it varies so much. It could be -- in the
25 Iroquois Falls Forest it could be 10 per cent or 9 per

1 cent of the area that are reserves or so-called
2 zone-outs, yeah.

3 MADAM CHAIR: And that includes the
4 inoperable areas as well?

5 MR. SALTARELLI: Well, no, they are not
6 inoperable. I think the question was how many areas
7 are bypassed because they're an area of concern or they
8 have some other use other than timber harvesting. That
9 is not inoperable.

10 MR. CASSIDY: Mr. Freidin has pointed out
11 that he was in Toronto last week at Industry's Panel 2
12 and there was evidence about percentages being zoned
13 out. I don't know if that is of any help to the Board.
14 I thank Mr. Freidin for bringing that to my attention.

15 MR. MARTEL: I am not sure that is the
16 question Mr. Lindgren is trying to get at.

17 MADAM CHAIR: What was your question
18 again, Mr. Lindgren? We obviously aren't
19 understanding.

20 MR. LINDGREN: I think we all are. There
21 are areas we are told that are unsuitable for
22 harvesting. The interrogatory indicates that some of
23 those areas are stands with poor access and inoperable,
24 it's uneconomic to cut, so they are left, and it also
25 includes areas for which a use other than timber

1 production may be contemplated.

2 MR. SALTARELLI: No, that's not
3 inoperability now.

4 MR. LINDGREN: Q. No, I know. That is a
5 separate and distinct question from inoperability.

6 MADAM CHAIR: So the latter are reserve
7 areas.

8 MR. LINDGREN: Well, they might not
9 necessarily be formal reserves or even AOCs, correct?

10 MR. SALTARELLI: A. Which are you
11 speaking of, the inoperable?

12 MR. MARTEL: Didn't we start out, I think
13 way back, that once you got to that section those areas
14 for which a use other than timber production may be
15 contemplated you asked if they could become AOCs.

16 MR. LINDGREN: That's right, and I
17 believe -- well, the answer was --

18 MR. SALTARELLI: Quite possibly.

19 MR. LINDGREN: Possibly.

20 MR. SALTARELLI: Yes.

21 MR. LINDGREN: Not necessarily all these
22 areas that are found within the production forest will
23 become an AOC or a formal reserve where no cutting will
24 occur.

25 Q. I will just end it this way, I will

1 pose the question as basically as I can. Of the area
2 that is bypassed how much is bypassed for reasons of
3 economics and inoperability, and how much is bypassed
4 for reasons relating to the potential for other uses?

5 MR. SALTARELLI: A. All right. That is
6 very clear and the answer to that is that it varies, it
7 changes in the different circumstances.

8 If in the five-year term there are very
9 few waterbodies, there are very few tourist outfitters
10 or canoe routes or heronries or what have you, then the
11 area of bypass for other uses is going to be quite
12 small.

13 The converse is true whereby if
14 management planning takes place in an area that is
15 sensitive to tourism values or wildlife values and so
16 on and other uses have been prescribed for different
17 parts of that area, the bypass area for that reason is
18 going to be correspondingly large.

19 If a company is operating in an area that
20 has a large expanse of fire origin jack pine stands,
21 for example, generally speaking that is going to be a
22 very homogenous forest and there is going to be very
23 little area that is bypassed because of inoperability.

24 On the other hand, if a company is
25 operating in a forest that has a whole wide array of

1 cover types, mixture of old black spruce and old jack
2 pine and young wood and perhaps a species that
3 particular operator doesn't use, then there is going to
4 be a correspondingly large area of bypass because of
5 inoperability.

6 It's not something unfortunately that you
7 can put a label on and say it's 15 per cent or it's 20
8 per cent, and I don't want to be obtuse about this, but
9 that unfortunately is the answer to that question.

10 Q. Okay. Just to follow up on that
11 point. Because you can't determine with any precision
12 the extent of these areas, you in effect -- or your
13 ability to determine the surplus is adversely affected?

14 A. Okay. I was speaking to, giving you
15 a general range of percentages and so on, but I would
16 harken back to the site specificity where there is -
17 that's a tough one and it's a quarter to five - to the
18 site-specific nature or area-specific nature of the
19 timber management planning.

20 I think that if you are looking at that
21 particular area you are going to have a pretty good
22 handle, probably an excellent handle on those areas
23 that are going to be bypassed and those areas that are
24 going to be set aside for uses other than timber
25 management.

1 Q. Do you know that in advance?

2 A. Yes, I would say so. Some of it
3 might or could come up at the public information
4 sessions and it's quite possible someone from the
5 public could say: Gee, there is this lake over here and
6 I know there is speckled trout in that lake and they
7 are showing a reserve that is whatever, I am being
8 arbitrary, that's only 30 metres and it should be 60,
9 it's quite possible we will learn something. We are
10 not omnipotent, we don't know everything. It can come
11 up.

12 Again our planning panel deals with that,
13 with the different advisory committees we would like to
14 establish for the different uses so we can establish
15 ahead of time where these special areas are.

16 Q. Well, I think you have indicated that
17 the managers will not know the location of all the
18 inoperable and non-economic areas, and if that is the
19 case -- if that is the case, then you don't know the
20 true or real production land base and, as a result, you
21 can't, in a meaningful way, calculate the sustainable
22 allowable cut?

23 A. I guess it really comes down to, I
24 know it comes down to how serious a problem is that.
25 If wood supply is really tight and the manager has to

1 estimate his or her wood supply within 10 or 15 per
2 cent and he doesn't know, he or she doesn't know where
3 all these different areas are, then you are right,
4 that's a problem.

5 But if there is a fair bit of slack in
6 the system, such that it doesn't matter if he's 20 per
7 cent out or she's 30 per cent out or what have you,
8 then the problem becomes less critical. I think you
9 would agree with me there.

10 Q. I am asking the questions, I don't
11 supply answers.

12 MR. CASSIDY: Thank you.

13 Q. A few moments ago we were speaking of
14 the accelerated cuts and accelerated harvest and the
15 principle of cutting the oldest first which you -- did
16 you indicate that you believe that to no longer be the
17 operative principle?

18 A. I believe that is the case, that
19 oldest first is no longer mandated by MNR.

20 MR. CASSIDY: And there was evidence on
21 this, page 39 of our witness statement refers to some
22 transcript reference for the Board's convenience.

23 MR. LINDGREN: Q. Could I ask you to
24 turn to page 40, the next page.

25 MR. SALTARELLI: A. Yes.

1 Q. Now, the third full paragraph, second
2 line indicates that:

3 "However, the principle of liquidating
4 forest stands on the basis of
5 chronological age disregards the
6 realities of biological age and stands
7 actually allocated as part of an
8 accelerated harvest are not necessarily
9 those from the oldest age class."

10 And I think that is what you are getting
11 at?

12 A. Yes, I am.

13 Q. Now, you may recall that we posed an
14 interrogatory on that very statement. This is question
15 No. 3 in Exhibit 1094, and essentially we asked: What
16 is meant by the statement "...disregards the realities
17 of biological age?"

18 If I could speed things up by
19 paraphrasing the answer. The answer basically
20 indicates that different species mature at different
21 rates on different sites, and the difference in sites
22 will also have an effect on the tree's health and
23 vitality. Is that a fair summary?

24 A. Yes, in the same species. Also age
25 differs in different sites.

1 Q. That's right, but there are other
2 factors that affect the rate of growth and vitality and
3 maturity?

4 A. Oh, certainly. The sites probably,
5 climate of course but if it's climate it affects the
6 entire forest. Climatic change really doesn't occur
7 over very narrow degrees of latitude - I am not a
8 climatologist and I haven't been qualified as an
9 expert - but I know that generally the climate in a
10 management unit is pretty well uniform.

11 Q. Including micro-climate?

12 A. No, micro-climates are different,
13 there are frost pockets and so on.

14 Q. Okay, thank you. Now, I think the
15 statement on page 40 indicates that it's difficult to
16 regulate the forest on the basis of chronological age,
17 but can you confirm for me that it's nevertheless
18 possible to run OWOSFOP for different or run separately
19 for site classes?

20 A. Yes, it comes down to how one defines
21 a management unit or a forest unit, I am sorry. In
22 other words, you can say your forest unit is a certain
23 site class and a certain species and you can break down
24 on the OWOSFOP database according to those criterion.

25 The outputs become a little more

1 complicated to interpret and become a little more
2 complicated to disaggregate and apply on the spacial
3 basis once you get back to ledgers and maps, but it's
4 quite possible.

5 Q. And can you in fact confirm that this
6 is now being done in some management units where the
7 working group has been subdivided by soil type or site
8 class and a separate allowable cut has been calculated?

9 A. That's correct.

10 Q. Now, how prevalent is that?

11 A. It's quite common actually, it's
12 common in the Iroquois Falls Forest, for example,
13 because our area -- our land base area is approximately
14 80 per cent black spruce, it is prudent to subdivide
15 that area into basic site classes. So we have a forest
16 unit that is site class X1, for example; a forest unit
17 that is site class 2, which is kind of average, and a
18 forest unit that is site class 3.

19 However, dealing with that particular
20 segregation the biological age of black spruce is going
21 to differ. There could be some site class 2 black
22 spruce that is again, for example, a hundred and
23 whatever, 20 years of age that is starting to fall
24 apart, the stand is starting to break up and there can
25 be another site class 2 black spruce stand which is

1 part of that forest unit that is quite a bit older than
2 that and still growing.

3 So even using the site class designation
4 as a dividing line between forest units, there is still
5 the possibility that chronological age and rotation age
6 or, sorry, biological age may not be the same.

7 Q. Well, would you agree with me that in
8 general for most working groups the rotation age is in
9 fact the same?

10 A. Rotation. I am sorry, I don't catch.
11 The rotation age is the same.

12 Q. One rotation age is set, correct, for
13 the species?

14 A. For the forest unit, yes.

15 Q. For the forest unit. And how large
16 is the forest unit?

17 A. It can vary. It will vary from
18 management unit to management unit. In fact there is
19 no -- there is no set limit size for a forest unit.

20 As a matter of fact there are some forest
21 units that are very tiny. I can think of a licence
22 that we once held that had exactly 40 hectares of white
23 pine on it and that was the whole forest unit.

24 But I can also think of the Iroquois
25 Falls Forest that has 80 per cent black spruce and we

1 split it up into three categories but half of that
2 category or 40 per cent of the land base is black
3 spruce site class 2, so that's amassive forest unit.
4 There is no set limit, no set size.

5 Q. And within a forest unit there could
6 be different site classes obviously?

7 A. There can be. If your forest unit is
8 called black spruce, that means to me that it has all
9 the site classes in it. If it's called black spruce 2,
10 it has one site class - and, again, site class is a
11 feature of FRI, it doesn't reflect what the site is,
12 and we are getting into some confusing territory here -
13 but FRI does not pretend to address site, I guess a
14 site class which is based upon measure of height over
15 age.

16 Q. Well, my concern here, Mr.
17 Saltarelli, is this: I think you agreed that in
18 general a single rotation age is set for a forest unit?

19 A. As a matter of convenience, yes.

20 Q. As a matter of convenience. And yet
21 you also indicated the forest unit could in fact have a
22 variety of site classes within it.

23 If that is the case, the rotation age
24 that is set, the single rotation age that is set does
25 not reflect the maturity of the stands at harvest

1 otherwise -- within that forest unit because otherwise
2 you would have different rotation ages set for each
3 working group to reflect the site-specific nature of
4 the stands?

5 A. Okay. You are absolutely correct and
6 the key word there is 'site specific'. There are
7 different sites within site classes and this is one of
8 the reasons why HSG is a valuable tool because it looks
9 at all the stands that that FRI calls a certain site
10 class and can estimate, based upon the expert rule
11 system that I've discussed, what the site - it's a very
12 rudimentary thing now, it is going to expand and
13 improve in the future - but it can estimate for that
14 stand what the site is and it can estimate what the
15 biological rotation age of that stand might be or when
16 it might conceivably fall down.

17 Q. If the rotation ages do not generally
18 reflect the various stages of maturity that could be
19 expected of these various site classes, I think you
20 would agree with me then that the current regulation or
21 management of the forest is not site specific?

22 A. It's not site specific, that's
23 absolutely correct, from the standpoint of a
24 silvicultural site.

25 Q. Returning to FFT interrogatory No. 3,

1 in question 3(b) we had asked:

2 "In what way are stands actually
3 allocated for accelerated harvest not
4 within the oldest age class?"

5 And the answer indicates that:

6 "Allocation is in fact affected by
7 spacial realities. Old stands may occur
8 in the proximity of young stands and
9 the young stands may be taken at that
10 time."

11 Would you agree with me that that
12 allocation or the harvest of the younger trees is
13 simply a matter of economics?

14 I mean, if your harvest is occurring in
15 the area, the younger trees are there and for take. Is
16 it a matter of economics?

17 A. It's a matter of economics, yes.

18 Q. Now, in question 3(c) we asked:

19 "What percentage of the annual harvest
20 does not occur within the oldest age
21 classes?"

22 And the answer indicates that:

23 "This varies from management unit to
24 management unit."

25 This is fair enough but, again, we're

1 asking for some actual examples of this variation.
2 What kind of range are we talking about?

3 A. I can give you an example, again, in
4 the Iroquois Falls Forest because that's the plan I am
5 most familiar with. I'd be guessing, but it could be
6 as much as 25 per cent of the allocation is not in the
7 oldest age classes.

8 Again, that number is off the top of my
9 head. I happen to know from running OWOSFOP, FORMAN
10 and HSG that we concentrated our areas in our heaviest
11 concentration of oldest age classes. That's doesn't
12 mean that everything we cut is going to be part of the
13 oldest age class.

14 Q. Now, that figure of 25 per cent,
15 again you're not in a position to indicate if that's
16 typical across management unit to management unit?

17 A. No, I'm not, sorry.

18 Q. Is that the upper end of the
19 variation or is it possible to have an even greater
20 variation?

21 A. I can't answer that either, I'm
22 sorry. Perhaps you could ask that of the planning
23 panel.

24 Q. Could I ask you to return to page 40
25 in the witness statement. Then continuing in the third

1 paragraph where I left off there is a statement that:

2 "Acceleration of harvest cannot be
3 rationalized in the absence of
4 accelerated renewal efforts or in the
5 absence of long-term wood supply
6 considerations."

7 Are you saying, Mr. Saltarelli, that
8 accelerated harvest should not occur without
9 accelerated renewal?

10 A. No, I'm not saying that.

11 Q. What does that statement mean then?

12 A. What I'm saying is you have to
13 consider... There can be very good reasons for
14 accelerated harvest that have nothing to do with
15 renewal, and you have to go back to the entire
16 paragraph that states that:

17 "Part of an area of an accelerated
18 harvest may have no relationship to
19 oldest age classes that may be
20 declining."

21 They could include some prime sites, for
22 example. In that case, I believe that if you are going
23 to accelerate prime sites that form a very important
24 strategic land base for the future, then you should be
25 prepared to expend some money in those areas and renew

1 them.

2 If you have the alternative of letting a
3 stand fall down and perhaps become a balsam fir stand
4 whereas now it is now a jack pine or a spruce stand or
5 cutting it and still letting it become a balsam fir
6 stand, then obviously the option there is to harvest
7 it.

8 In other words, if you don't harvest it
9 and it falls down and it becomes a stand that you
10 consider to be less than desirable, then I guess you've
11 lost some land base or lost some desirable land base.
12 If you harvest it and it becomes a stand that becomes
13 less desirable, then you've lost some land base.

14 In either case, the situation in which
15 you harvest it you gain something on the situation,
16 whereas in the other, where you leave it to fall down,
17 you gain nothing and this is why I qualified that
18 statement.

19 You have to look at long term wood
20 supply. If you can carry it forward on the stump and
21 you haven't got money to harvest it or haven't got
22 money to regenerate it, perhaps you should carry
23 forward on the stump in the future. I think you're
24 going to need it. If it's part of your prime land
25 base, perhaps you should look at spending some money

1 and reforesting it.

2 Q. Well, the statement reads:

3 "Acceleration of harvest cannot be
4 rationalized in the absence of
5 accelerated renewal effort."

6 Aren't you saying that acceleration of
7 harvest shouldn't occur unless and until accelerated
8 renewal efforts are undertaken?

9 MR. CASSIDY: The statement also says:
10 "...in the absence of long-term wood
11 supply considerations."

12 MR. LINDGREN: My question is directed to
13 the first portion of his statement and I am attempting
14 to clarify what is meant.

15 MR. SALTARELLI: All right. Let me try
16 to explain it this way. One has to -- first of all,
17 renewal efforts are designed for one thing as far as
18 timber management planning is concerned and that's to
19 supply a future timber supply. So you can't really
20 divorce renewal efforts from long term wood supply and
21 considerations; the two go hand in hand.

22 What I'm saying there is, you have to be
23 able to rationalize an accelerated harvest. It has to
24 be managerially sound. You can't do that unless you
25 look at the impacts of that accelerated harvest on your

1 future wood supply.

2 MR. LINDGREN: Q. Okay. Then are you
3 saying, you can accelerate the harvest but you don't
4 necessarily have to accelerate the renewal efforts?

5 MR. SALTARELLI: A. It's quite possible
6 depending on the circumstances. Again, I would cite
7 that circumstance that I pointed out where no matter
8 what you do from the harvesting standpoint you are
9 going to end up with essentially the same situation.
10 You haven't got the money to go back and renew that
11 stand, so on that basis you leave the stand alone, it
12 falls down and you get an undesirable stand coming back
13 or you can go and you can harvest that stand instead of
14 letting it fall down and you can get an undesirable
15 situation coming back.

16 The end result is the same, but at least
17 you derive some benefit from harvesting that stand.
18 This statement was not meant to be a blanket statement
19 saying, if you can't regenerate that area that's part
20 of accelerated harvest in every case, then shouldn't
21 harvest it. That wasn't the point, but I can see why
22 you are confused and I should have worded it better, I
23 admit that.

24 Q. Okay. If I can just finish off by
25 attempting to summarize what you have just said. The

1 mere fact that you can't regenerate an area does not
2 preclude you from cutting that area?

3 A. That is correct.

4 MR. LINDGREN: I think we will have to
5 revisit this discussion tomorrow morning, Madam Chair,
6 I have a bit more to go.

7 This might be an appropriate time for the
8 break if you wanted to break at five o'clock.

9 MADAM CHAIR: And how much will you have
10 tomorrow, Mr. Lindgren?

11 MR. LINDGREN: I would say a good 30
12 minutes.

13 MADAM CHAIR: All right. And how long
14 will you be, Ms. Harvie?

15 MS. HARVIE: I expect only between an
16 hour and two hours, although two hours is unlikely.

17 MADAM CHAIR: Mr. Freidin?

18 MR. FREIDIN: Two hours.

19 MADAM CHAIR: Yes, Mr. Cassidy?

20 MR. CASSIDY: Well, if you are asking me
21 how long I will be in re-examination, at the moment I
22 am about 15 minutes.

23 MADAM CHAIR: All right. Well, I think
24 that we can finish tomorrow then by the sounds of it if
25 we start at 8:00, or would you rather take...

1 MR. CASSIDY: I suspect we could finish
2 if we started at 9:00. We can sit late tonight, Madam
3 Chair, if the witnesses are up to it.

4 ---Discussion off the record

5 --- (Panel withdraws)

6 MADAM CHAIR: We are going to have the
7 satellite discussion now.

8 MR. CASSIDY: Oh, all right.

9 MADAM CHAIR: I think we will start
10 tomorrow morning then.

11 MR. LINDGREN: At which time?

12 MADAM CHAIR: Eight o'clock.

13 MR. CASSIDY: We will be here.

14 MR. LINDGREN: I will be here as well.

15 MADAM CHAIR: Thank you.

16 ---Discussion off the record

17 MADAM CHAIR: Why don't we take a
18 20-minute break now and then come back and have the
19 satellite discussion.

20 MR. LINDGREN: Very well.

21 MADAM CHAIR: And also, what are the
22 other items on tonight? We received the report on the
23 negotiations.

24 Is someone speaking to that tonight? No,
25 okay. And are there any other issues we are supposed

1 to discuss?

2 MR. CASSIDY: The only other thing I
3 recall for today, Madam Chair, is that there is a
4 deadline for filing statements of issues. I have
5 received one from MOE. I assume that there are other
6 parties that wish to file or wish cross-examine with
7 respect to access and it is going to be difficult for
8 the scoping session tomorrow unless I get them tonight.

9 ***THE HEARING LIAISON OFFICER: FFT's
10 came in about an hour ago, but I have a copy in my
11 office that you can have but you have to promise to
12 give it back to me.

13 MR. CASSIDY: Thank you.

14 MADAM CHAIR: Well, you have three now,
15 Mr. Cassidy.

16 MR. CASSIDY: All right. Tonight's work.

17 THE HEARING LIAISON OFFICER: And I
18 believe that's it, MOE, MNR and FFT.

19 MR. CASSIDY: Thank you, Madam Chair.

20 MADAM CHAIR: Thank you.

21 ---Recess taken at 5:05 p.m.

22 ---On resuming at 5:30 p.m.

23 MADAM CHAIR: Be seated, please.

24 Ms. Murphy?

25 MS. MURPHY: Yes. I am going to make a

1 few comments about the satellite hearing and
2 essentially just commence this, and then I understand
3 Mr. Lindgren has some specific submissions he would
4 like to make.

5 MADAM CHAIR: What we might do, Ms.
6 Murphy, is I might say a few words on the part of the
7 Board before you begin and Mr. Lindgren starts.

8 Our impression of the Dryden hearing is
9 that it went fairly well. We were quite satisfied with
10 how things worked at that hearing generally. There are
11 a few changes we would like to see, but essentially we
12 thought the basic elements of it were very acceptable,
13 we felt that the public was well served at the hearing
14 in terms of being able to come before the Board and get
15 the kind of information they wanted.

16 A few of the changes that we would like
17 to see, and we will throw it out now before you speak
18 to it. The first one is that we would want our liaison
19 officer, Ms. Devaul, to be present at the open houses
20 and we think there are obviously questions about the
21 Board that she should be speaking to rather than
22 leaving it to other parties, and those are very
23 straightforward questions, about how we operate and how
24 people address us and what to expect from us and that
25 sort of thing. We would like to see that change.

1 We liked the idea that there was an open
2 house the night before and in the morning leading up to
3 the public session.

4 We received just a short time ago a
5 letter from Dr. Quinney in which he makes this
6 following suggestion:

7 "We would request that the multi-party
8 open house continue throughout the public
9 submission session. That is not and
10 prior to commencement of the satellite
11 hearings themselves, but rather continue
12 to run concurrently for the duration of
13 the public submissions."

14 We are of the opinion that we can't see
15 the purpose behind this and furthermore we would not
16 want the open house to be taking place at the same
17 time, we want people at the hearing itself.

18 The question of whether the open house
19 continues after the hearing is another one and you
20 might want to address that, but we can't see them
21 running concurrently.

22 We like the idea of having it a night
23 before and in the morning up to accommodate the public.
24 I think our concern before Dryden was that we wanted
25 people to only have to come once. So if they came near

1 the end of the open house they can stay for the public
2 session, they wouldn't have to make two trips.

3 On the other hand, if there's a problem
4 of scheduling working hours, they could come the night
5 before. So I think we would like to stick to that
6 format.

7 We agree with Mr. Lindgren's suggestion
8 that the public notice be made to read less
9 legalistically. We think there must be a way that we
10 can do that. We would be happy for the Ministry to
11 draft some sort of notice that was less legalistic and
12 we will be happy to look at that and offer our own
13 comments on it.

14 I think this is being done with other
15 boards and agencies. I read the papers and follow
16 hearing notices, and I think there is an attempt being
17 made. I know in our particular case a lot of
18 information has to be crammed into a hearing notice in
19 a limited space, but we would like to make some effort
20 to make it read as simply as possible.

21 We have no problems with the schedule
22 proposed by the Ministry of Natural Resources in terms
23 of starting on Tuesday evenings in the weeks where we
24 have public hearings. We think that's a very
25 reasonable thing to do and it will help move from place

1 to place.

2 There seems to be really, from what we
3 can read in these submissions, two contentious issues.
4 The first is the witness panel that was produced at the
5 Dryden hearing under the Board's instruction; and,
6 secondly, the role that Mr. Freidin played in terms of
7 directing questions at that witness panel.

8 We are still of the opinion that we like
9 having the witness panel there, we think that it did
10 the job well at Dryden in terms of being able -- for
11 people who showed up to be able to provide answers for
12 them in terms of the local situation. We thought that
13 was fairly valuable and we thought it gave them a
14 better understanding and cleared up some of the
15 confusion that they had.

16 We are unclear exactly about what Mr.
17 Lindgren means in term of his comments about
18 dissatisfaction with Mr. Freidin's questions. We have
19 reviewed the transcript to see where Mr. Freidin may
20 have been leading evidence or may have been
21 interrupting too frequently. We would like to hear Mr.
22 Lindgren's views on exactly what the problem was with
23 Mr. Freidin's questions.

24 And I think those are all the comments we
25 have.

1 Ms. Murphy?

2 MS. MURPHY: Given that, I assume that
3 really what you need to do is hear from Mr. Lindgren.
4 I would just comment that I think it would be very
5 useful to have to have Ms. Devaul at the open houses to
6 assist people. People do have questions and certainly
7 are happier being able to direct those to the Board and
8 a representative of the Board.

9 With respect to the notice, the notice
10 that was put in the last newspaper was drafted by the
11 Board and if you are asking that MNR attempt to redraft
12 the notice, we would be glad to that, we welcome...

13 One concern, we should be very careful of
14 the time. The next hearing being scheduled for May
15 22nd, in order to provide 30 days' notice in the
16 newspaper, if you were dealing with the daily, the
17 notice will have to be in by April 20th, which is a
18 Friday, but we also deal with weeklys, which is
19 something else we have to consider.

20 MADAM CHAIR: Pardon me?

21 MS. MURPHY: We also deal with weekly
22 newspapers that only come out once a week obviously,
23 and so the notice that will provided to them to publish
24 will have to be given to them prior to I believe the
25 14th of April.

1 MR. MARTEL: Do you know when the dailys
2 in this area are -- because some come out on
3 Wednesdays, some come out on Saturdays, depending on
4 where you are at.

5 MS. MURPHY: My understanding, we have a
6 list of the newspapers and the dailys of course in
7 Kenora and so forth are daily. The weeklys I believe
8 in the area come out Wednesdays, but we will have to
9 double check that, usually Wednesdays.

10 So that means that we will have to have
11 that to them in the week prior, and I believe -- I was
12 looking at -- that means by the 14th of April, so that
13 will give us a short time to attempt to do this, but we
14 are certainly pleased to give that a try.

15 MADAM CHAIR: Are you finished, Ms.
16 Murphy?

17 MR. LINDGREN: Madam Chair, I should
18 indicate that I have extra copies of my letter if
19 parties need it. Just a second.

20 MS. MURPHY: Actually, I am sorry to
21 interrupt, and I don't know if this will be of
22 assistance, but there were letters written about this
23 issue last year and I don't know if you have them to
24 hand and, if you don't, I thought you might like to
25 have copies of them for reference, whether you look at

1 them later or not; and I don't know if you have it with
2 you, but I have a few copies.

3 There was a letter from me to all parties
4 dated May 31st, 1989 dealing with similar issues, and
5 also June 21st, 1989. I just thought you might like to
6 have copies of those. (handed)

7 MADAM CHAIR: Thank you, Ms. Murphy.

8 MR. LINDGREN: Madam Chair, before I
9 address the two contentious issues I can identify,
10 perhaps I should indicate at the outset that we have no
11 objection to Ms. Devaul being present, in fact we agree
12 that she should be there.

13 As well, before I deal with the two
14 contentious issues, I would like to review some of the
15 other issues that I raised in my letter.

16 The first page, in paragraph No. 1 we
17 indicate there should be a multi-party open house. We
18 agree the open houses I think were workable and I
19 thought generally well attended, but I think they were
20 quite useful. I know I spoke to a number of people, I
21 know that the other parties who were present had a
22 generally good sense or a good feeling about how the
23 open houses were conducted.

24 MADAM CHAIR: Excuse me, Mr. Lindgren.
25 We actually didn't -- we don't know how many other

1 parties -- were all the major parties represented at
2 the open house?

3 MR. LINDGREN: The Ministry of Natural
4 Resources, the Industry, FFT and OFAH were all present,
5 they all had displays and so on.

6 And I should say at the open house the
7 Ministry did provide a number of witnesses who were
8 knowledgeable about the case in general, this is the
9 point that I am raising in Item No. 1, they produced
10 foresters, biologists, policy people and so forth and
11 they were available to answer any questions that were
12 raised by the public.

13 I think it is clear from my letter that
14 that is the time, in our view, that those kinds of
15 informational questions should be posed and that's when
16 the MNR should address them.

17 It's our view that the Ministry really
18 should not be permitted or required to call a panel of
19 witnesses during the actual public submission sessions.
20 As I indicated in my letter, that's unprecedented. I
21 am aware -- we are aware of no other situation where
22 that has been permitted other than in this case, but
23 above and beyond that, I don't think it is an
24 appropriate procedure and there has been some
25 suggestion that it may in fact be improper or even

1 illegal because what in effect it is doing is providing
2 the Ministry of Natural Resources with quasi-rebuttal
3 or quasi-reply evidence to respond to some of the
4 submissions made by members of the public.

5 And I would also point out at some of the
6 forthcoming satellite hearings we have a number of
7 other parties who do intend to present evidence or make
8 submissions and surely no party would suggest that the
9 Ministry should be permitted the right or opportunity
10 to call witnesses to reply at that time.

11 MR. MARTEL: Could I stop you, Mr.
12 Lindgren?

13 MR. LINDGREN: Yes.

14 MR. MARTEL: Because I guess I was very
15 pushy on that subject quite frankly, having attended a
16 few open hearings over a period over a few years, a
17 variety of issues.

18 When matters are raised by the public at
19 these hearings, whatever they are, surely the public is
20 entitled - and this is a position I took - to get the
21 answer then in front of the Board that they are
22 appearing before so that in fact they feel comfortable
23 that the information they are getting as the public is
24 precise and accurate.

25 And are we going to send letters to

1 everyone? We can't answer the questions, I don't
2 intend to try and I am sure my colleague doesn't. So
3 how do we give the public answers to the issues that
4 are raised before us?

5 Surely you are there to ensure that in
6 fact what you are afraid is going to occur doesn't
7 occur; that the government doesn't try -- the Ministry
8 doesn't try to lead new information or enhance their
9 position. Surely it is what it is and that's an
10 information centre to some degree for the public at
11 large who can't follow these hearings every day.

12 And I would feel miffed to have to tell
13 people: Well, you will get your answer somewhere down
14 the road because somebody is going to in fact give you
15 an answer some day.

16 If I were the public I would want to hear
17 the public in front of the Board to be really
18 comfortable that the answer that I was receiving was
19 precise and everybody was there, to try and keep this
20 in balance, we are going to be sure that the answers
21 given were in fact precise.

22 MR. LINDGREN: I appreciate your
23 concerns, Mr. Martel, and I must say in all fairness I
24 did share those concerns.

25 I did originally agree, or I was

1 persuaded that this in fact was a good procedure, this
2 is an opportunity for the public to ask questions of
3 the Ministry under oath. I mean, that was the theory
4 of providing this panel of witnesses.

5 MR. MARTEL: Didn't Forests for Tomorrow
6 support the position taken by the Board at that time?

7 MR. LINDGREN: Pardon me?

8 MR. MARTEL: Didn't Forests for
9 Tomorrow -- in fact, they did support the proposition
10 put forward by the Board that people should be given an
11 opportunity to have answers from a panel of experts on
12 that occasion.

13 MR. LINDGREN: I don't believe we took a
14 formal position on the matter, Mr. Martel. I was the
15 person who attended the Dryden satellite hearing and I
16 was not --

17 MR. MARTEL: I am talking about the
18 discussion as we had before the Board on this very
19 issue.

20 MR. LINDGREN: I was involved in that as
21 well, Mr. Martel.

22 MR. MARTEL: Ms. Swenarchuk was involved,
23 was she not?

24 MS. MURPHY: I'm referring to Volume 101
25 of the hearing. It was May 9th and Ms. Swenarchuk's

1 submissions are in that volume at couple of locations,
2 and you are correct, Mr. Martel.

3 MR. LINDGREN: That's right. The FFT
4 was represented, we did take part in the discussion.

5 And as I said earlier, I personally was
6 persuaded that that was a good idea. I am now less
7 persuaded of the salience of that idea. Let me
8 illustrate why.

9 The panel was theoretically available to
10 answer questions from the MNR, sounds good in theory.
11 In reality very few questions were put directly to the
12 panel by members of the public. I have reviewed the
13 notes and the transcript and the proceedings very
14 carefully, that is my assessment.

15 What the members of public were trying to
16 do or attempting to do was direct their submissions
17 clearly and directly to the Board and any exchanges
18 that occurred between the witness panel and the members
19 of the public occurred after Mr. Freidin had asked his
20 questions.

21 I admit the questions were short, I take
22 no issue with Mr. Freidin's conduct - I am not sure if
23 that is what Madam Chair read into my letter - I take
24 no issue with the actual conduct of the questioning
25 save and except to say that, in our view, some of the

1 questions could be characterized as somewhat
2 self-serving and I think that impression was to some
3 degree shared by members of the public.

4 The Board may recall one gentleman - I
5 can't remember the name - had made a submission which
6 was followed by some questions put by Mr. Freidin to
7 the panel and that individual -- that member of the
8 public lamented how, in jest, that he wished
9 he had a nice lawyer there asking him nice questions.
10 And I took that to be a fairly serious indication that
11 there is something manifestly unfair and wrong with
12 that procedure.

13 There are a number of other concerns that
14 we have about that. Other parties to the hearing, as I
15 understand it, were not permitted to cross-examine or
16 correct the witness panels or panel of witnesses with
17 respect to statements that had been made. There were a
18 few --

19 MADAM CHAIR: Excuse me, Mr. Lindgren, I
20 would interrupt here. I think - and I will have to go
21 back through the material again - but I think we said
22 fairly clearly that parties could in fact question, as
23 long as they didn't go for the jugular. We weren't
24 interested in --

25 MR. LINDGREN: No, no, I am not referring

1 to members of the public, I am referring to the
2 statements that were coming from the witness panel, the
3 panel of MNR witnesses.

4 MADAM CHAIR: We hadn't said anything
5 that parties weren't allowed to object to those
6 questions or put other questions to the panel members.

7 MR. LINDGREN: Well, perhaps I was
8 somewhat misled, but it was my understanding, perhaps
9 self-imposed, that we would not have been permitted to
10 ask questions of the panel.

11 I mean, I think that would have
12 undermined the whole reason of being there, that the
13 opportunity was to give members of the public a chance
14 to speak to the Board, not necessarily to ask questions
15 of MNR witnesses under oath.

16 Mr. Martel, I appreciate your concerns
17 that perhaps a member of the public feels that they or
18 she may be entitled to ask these questions and expect
19 an answer under oath. I think Ms. Swenarchuk pointed
20 out on the record - or if she hasn't - she has
21 indicated to me that, in our view, the whole purpose of
22 the satellite hearing was to give members of the public
23 an opportunity to speak directly to the Board.

24 They have year-end access to the MNR and
25 I can't for a moment think that if a question is put to

1 the MNR by a member of the public and that MNR person
2 is not under oath that the answer would not be candid
3 or that the content of the answer is somehow depend on
4 whether or not he was under oath. I don't think that's
5 a suggestion that anybody has made and I don't
6 necessarily think it is desirable, advisable or
7 necessary to have an MNR person under oath before this
8 panel in order for members of the public to put
9 questions to them and get answers.

10 MR. MARTEL: Well again, my memory is
11 maybe not as good as it should be, but was that not
12 discussed as well, I mean, the whole question of the
13 panel and having them under oath so that in fact the
14 information would be provided to anyone who needed an
15 answer.

16 I mean, it's easy to say we will give
17 them an answer at the open house portion of it but, you
18 see, not everyone is going to come Tuesday evening or
19 Wednesday morning, they are going to come, they are
20 going to have their say, and how do we provide an
21 answer at that time?

22 MR. LINDGREN: Well, with respect, Mr.
23 Martel, I think you are operating under the presumption
24 that we will be inundated with questions from the
25 public, and that clearly was not the case.

1 MR. MARTEL: I am not saying that at all,
2 I mean -- but this is not Downtown Toronto either, you
3 know, people come 50 miles to have their little say and
4 they should have a right to get that answer.

5 And it isn't, in my opinion - I could be
6 dead wrong, Mr. Lindgren - but it is not Toronto and
7 you don't take a subway and jump on the subway and ride
8 for 10 minutes with a token, you drive a long distance,
9 and surely we should make it possible for people to
10 feel comfortable and get the answers to the questions
11 they raise when they are before us. I mean, that is my
12 concern dealing with the public.

13 MR. LINDGREN: We share that concern, Mr.
14 Martel, but the experience of the Dryden hearing
15 demonstrates that they did not come there for the
16 purpose of asking questions, they came there for the
17 purpose of making submissions directed to the Board.
18 This is their only opportunity that they'll have to do
19 it and, in our view, that opportunity should not be in
20 any way fettered or interfered with by --

21 MR. MARTEL: Would you agree there were
22 questions raised that none of us knew the answer to
23 that the staff from MNR were able to answer?

24 MR. LINDGREN: There were questions
25 raised but I would point out that they were raised by

1 and large after Mr. Freidin had asked questions of the
2 witness panel.

3 And I would go further and suggest those
4 were questions that could have been and should have
5 been provided during the open house, again, assuming
6 that the person had been able to attend it, which
7 brings me to Dr. Quinney's suggestion that perhaps the
8 open house could operate concurrently.

9 I must say, again in all candidness, that
10 that was a matter that we had discussed amongst
11 ourselves, we haven't decided one way or the other as
12 to whether or not an open house should be operating
13 concurrently with the public sessions. My gut reaction
14 is that perhaps they should not be, but that would be
15 one way to resolve the difficulty of people who can
16 only attend at one time and would be desirous of some
17 answers from the MNR. I just throw that out for
18 consideration.

19 But the bottom line of our submission
20 here, Madam Chair, is that these satellite hearings
21 have been reserved exclusively for the public and the
22 Dryden experience has demonstrated that the public
23 views that opportunity, I think fairly well and fairly
24 flexibly, to present their views to the Board and, in
25 my assessment, they did not go there with the purpose

1 of putting questions to the witnesses, that if that
2 occurred at all it occurred after Mr. Freidin had
3 attempted to rebut or reply to the submissions that
4 they had made, and I think that may have caused these
5 individuals to go back and try to clarify what they
6 meant or what the MNR meant. I think that is why that
7 exchange occurred; it did not occur prior to or during
8 the submission made by the members of the public.

9 I also point out in my letter that if the
10 MNR or any other party is concerned about the content
11 of public submissions, they have the opportunity to
12 deal with it in their own case, and in the case of the
13 MNR, they have the opportunity of reply. They are the
14 only party with that right I would point out.

15 Let me conclude by just saying the
16 satellite hearings are first and foremost a Board
17 endeavor - I think we are all agreed on that - and, in
18 our view, it should not be permitted to become a
19 vehicle for parties to reply or rebut the submissions
20 made by the public. It should not degenerate into a
21 proceeding that is dominated or oriented towards any
22 other party, it should be solely reserved for the
23 opportunity of members of the public to make
24 submissions to the Board.

25 If they have questions of the MNR, I

1 suggest that there are other avenues and other
2 mechanisms to deal with that, one of which would be the
3 open house where the equivalent to the MNR witness
4 panel would be made available and if, for example, the
5 answer is unsatisfactory at the open house, then surely
6 the member of the public can raise that as a concern at
7 the public submission session. It doesn't have to get
8 an answer, the fact that the answer itself is
9 unsatisfactory could form the basis of a submission, or
10 it could be indicative of a larger problem, I am just
11 speculating.

12 But again to conclude, we feel very, very
13 strongly about this issue. It's not simply a matter of
14 having some witnesses available, it's a fundamental
15 issue as to what is a fair and proper procedure
16 allowing or permitting or requiring the MNR to provide
17 a panel of witnesses to rebut or reply or perform
18 damage control after public submissions have been made
19 is, in our view, an inappropriate procedure.

20 MR. MARTEL: Do you think the Board
21 doesn't recognize that, Mr. Lindgren?

22 MR. LINDGREN: I am sure they do, but I
23 am wondering whether members of the public recognize
24 that.

25 MR. MARTEL: See, when I looked through

1 the material and I tried to -- I read your point five,
2 I guess it is, and I looked to see because like Mrs.
3 Koven I wasn't sure what you were saying in point five.

4 "Accordingly, we strongly object to the
5 procedure used during the Dryden hearing
6 whereby MNR counsel was permitted to pose
7 questions to a panel of MNR witnesses."

8 And I looked -- I went back, and that is
9 why we had Ms. Devaul pull the material, to try and get
10 an understanding as to whether there was something
11 unfair, whether they were trying to lead some sort of
12 evidence, whether they were trying to get a second kick
13 at the can, whether it was damage control.

14 I think what we wanted was straight
15 factual answers to matters that were raised, and they
16 were raised by a number of people, maybe not directly
17 to the panel, but in fact there were questions left
18 unanswered that we as a Board wanted answers to before
19 we left town in terms of what was the evidence, because
20 much of it is not prepared by experts and we want
21 people to feel quite comfortable. But, on the same
22 hand, you want to judge this stuff in a fair way, so
23 you want to make sure that everything that is being
24 said is factual.

25 I thought that some of the material was

1 cleared up quite nicely for my satisfaction anyway, and
2 it wasn't there to enhance any particular party.

3 MR. LINDGREN: Well, with respect, Mr.
4 Martel --

5 MR. MARTEL: You might give me some
6 examples. Be helpful then.

7 MR. LINDGREN: Okay. I had contemplated
8 bringing some specific examples to the Board but I
9 decided not to because the issue is not: What did
10 witness "x" say and was it wrong, incorrect or
11 misleading, but I think it's fair to say that, in our
12 view, there were some statements that could be
13 characterized as that and we didn't have the
14 opportunity, as we understood it, to -- obviously we
15 couldn't reply by way of our own rebuttal panel, we
16 couldn't cross-examine the witnesses that were made
17 available by the MNR because to do so, in our view,
18 would undermine the very purpose of the public
19 submission session which is to allow the public to make
20 their views known to the Board.

21 MADAM CHAIR: Mr. Lindgren, we have three
22 notions that partially address your concerns to improve
23 the witness panel mechanism that we used at Dryden.

24 The first is that the witnesses
25 themselves would only answer questions that were

1 directed to them by the Board; in other words, if a
2 member of the public stood up, the Board would say:
3 Mr. Smith, could you please provide an answer to this
4 question. We would essentially handle the traffic flow
5 between the public and the witness panel.

6 MR. LINDGREN: So do I understand then
7 that MNR counsel would not be permitted to pose
8 questions?

9 MADAM CHAIR: The second point would be
10 that MNR counsel could only pose questions with leave
11 of the Board. There would be no spontaneous jumping up
12 and down and saying: Please clarify this and so forth.

13 And the third notion is that we would
14 expect, if we were running into difficult waters, that
15 the other counsel would object, and I don't mean in a
16 theatrical long, drawn-out way, but simply stand up and
17 say: That question isn't proper because...

18 I don't think that is out of line for a
19 public hearing, for you and other counsel to do that.

20 MR. LINDGREN: Well, no, I think that's
21 totally unacceptable. And yet if you are going to
22 require leave to pose certain questions, I think that
23 there is a good possibility that that type of theatrics
24 will be engaged in. I think that would convey the
25 wrong message to the public and, more importantly, it

1 would infringe upon their time to make the submissions.

2 I think all of those concerns or
3 potential concerns could be easily alleviated by not
4 requiring or permitting an MNR panel to be there to
5 provide answers, because if they are there to provide
6 answers and we don't like them, then we are going to
7 have to start cross-examining -- I mean, if they offer
8 an answer --

9 MADAM CHAIR: No, I am not talking about
10 objections to the answers that are given, I am talking
11 about objections to the process whereby you are
12 objecting to the fact that Mr. Freidin is leading a
13 witness, and Mr. Freidin will undertake only to ask
14 questions that will clarify the question that Mr. Smith
15 who is standing up asking it has to say.

16 I am not talking about the questions as
17 just evidence, I am talking about keeping the process
18 of the public asking the MNR people these questions in
19 a very proper way.

20 MR. LINDGREN: The problem is that the
21 answer that is given may or may not be consistent with
22 other parties' interpretation or understanding of the
23 evidence and, for that reason, they may feel obliged to
24 either cross-examine or call their own evidence to give
25 their own side of the issue that has been raised.

1 MADAM CHAIR: Well, you will be doing
2 that in your case and Mr. Freidin would do that in his
3 reply.

4 MR. LINDGREN: So why be allowed to do it
5 during a satellite hearing?

6 MADAM CHAIR: He's allowed to do it
7 because -- well, he may not be allowed to do it. I
8 mean, I don't know what kind of questions he's going to
9 ask, I don't know why the witness panel members can't
10 deal directly with the public - I have to review Mr.
11 Freidin's questions - but the only condition under
12 which we would allow him to ask a question is to
13 clarify either a misunderstanding between the public
14 and the witness or an incomplete answer or something
15 that wasn't giving the member of the public the
16 complete answer that he wanted.

17 MR. LINDGREN: Well, I think I have said
18 everything I can.

19 MR. MARTEL: Could you help me again. I
20 worry about the public involvement, because I can well
21 recall Forests for Tomorrow wanting somehow to make
22 sure that -- the public is out there and the government
23 looks after their forests for them, they are not here
24 every day hearing the evidence and it's a very
25 confusing proposition before the general public, this

1 whole hearing.

2 Surely we want them to be involved
3 freely, to get answers freely, to try to understand
4 because they are not here every day, they are not there
5 with counsel, but it seems to me we are putting a
6 straight jacket on them, that the whole intent of
7 direct involvement by the public is going out the
8 window.

9 They can get up and have their say, but
10 there is no dialogue, there is no dialogue allowed and
11 that is, in a sense, what has happened, if I
12 understand, because I can't question them, I can't give
13 the answers - I could ask them some questions - but we
14 in fact in this townhall sort of meeting that we were
15 going to have across the province are putting them in a
16 straight jacket because it's a one-way dialogue, them
17 telling us their concerns and then unless they followed
18 this every day for the past two years - I am not sure
19 very many stay up nights to read it - they have no
20 opportunity for dialogueing with MNR. Because in fact
21 the MNR is the proponent, hopefully if somebody steps
22 out of line the lawyers would say from the other
23 parties: Wait a minute, this goes beyond bare
24 information.

25 I mean, the only reason we wanted the

1 panel there was so that the factual information could
2 be given. And while I see it at this time - I am going
3 to review the stuff tonight - quite frankly I see it as
4 really straight jacketing the whole process. It is not
5 a very informal process, in fact it is a very limiting
6 process that we are about to engage in if we follow --
7 we can't have a panel of local people from MNR, people
8 who are conversant province wide. I mean, it seems to
9 me that we are putting it in a straight jacket.

10 MADAM CHAIR: What Mr. Martel is saying I
11 think is that we might as well save us the time and
12 expense of going around the province and just have
13 people write into us and tell us what they think,
14 because essentially there is very little that we as the
15 Board can tell them. The issue is about their forest
16 and they want some information about that.

17 MR. LINDGREN: Well, I am taking up too
18 much time here, but --

19 MR. MARTEL: I think we need the
20 discussion, Mr. Lindgren, if you don't mind, because I
21 am not trying to rush into this, but I am trying to
22 comprehend and understand your concern. I am trying to
23 understand from the public's perspective of what they
24 can get out of this; I mean, otherwise it's useless --
25 is there any sense coming if it's just a one-way

1 dialogue?

2 MR. LINDGREN: Well, Mr. Martel, with
3 respect, the concern is legitimate but in reality -
4 again, I stand to be corrected on this, but I did
5 reviewed the transcripts and my notes very carefully -
6 but the reality is very few people went there with the
7 express purpose of asking MNR the questions, they went
8 there to deliver oral and written submissions to the
9 Board and that is exactly what happens before other
10 tribunals - such as the OEB as referred to in my
11 letter - and the Environmental Assessment Board in
12 other hearings.

13 It's totally unprecedented in our
14 experience to allow any party, be they the proponent or
15 any other intervenor, it's unprecedented to allow any
16 party to call evidence during the public submission
17 sessions and that is essentially what --

18 MADAM CHAIR: The fact that it's
19 unprecedented doesn't bother us, but the fact that
20 there is some legal implication about how this is done
21 obviously does concern the Board greatly.

22 In my memory I can recall two questions
23 that were put to the MNR panel and I think they both
24 started with a sort of preface of: I want to ask you
25 this, and one had to do about trees that were cut along

1 the roadside and another had to do with suffocating
2 bears in caves or something.

3 MR. LINDGREN: Yes, that was Mr.
4 Broadhagen, I remember that submission. But I
5 believe - I stand to be corrected - but I believe that
6 question came after the bulk of his submissions, in
7 fact it might even have come after Mr. Freidin's
8 questions to the panel.

9 I am generalizing. I can recall there
10 was another question that was put directly to the panel
11 and that concerned tree nursery or tree nursery
12 funding.

13 MADAM CHAIR: Employment.

14 MR. LINDGREN: That went directly to the
15 MNR, that's correct. But again, overall I think the
16 majority of people who attended, attended to make
17 public submissions and I think that is borne by the
18 record.

19 MADAM CHAIR: Well, you can see Mr.
20 Martel and I are going to have to be convinced
21 otherwise or we will be doing much the same thing
22 again. Is there something illegal about what we are
23 doing, or do I have to call Mr. Turkstra?

24 MR. LINDGREN: Well, that may well be
25 necessary. It's our suggestion that what the Dryden

1 procedure amounts to is giving a party; namely, the
2 proponent, quasi-reply - I can't think of another way
3 to put it - and I think that's unfair for one thing,
4 but it's not the proper place to be dealing with
5 concerns that --

6 MADAM CHAIR: If Mr. Freidin were not
7 allowed to open his mouth during the session, would you
8 still consider that to be the case, that the MNR
9 witness panel were giving --

10 MR. LINDGREN: Then that raises a
11 question of what the other parties can do with respect
12 to the evidence that is coming out, because we may
13 disagree with it very vehemently. Are we permitted to
14 cross-examine on it or call our own panel of evidence?
15 I think not, and that's not the purpose of the hearing.

16 MR. MARTEL: If you will recall, we
17 didn't force people to be sworn in because we said
18 people were coming in off the street. I mean, I can
19 remember MNR being quite uptight about this, I think
20 they wanted -- they were really concerned about
21 somebody saying something and being cross-examined, and
22 we said: No, we wanted it very informal, to keep it
23 open so that the public who weren't used to coming to
24 such a forum in fact felt free to ask questions or
25 state their position, because most of them came in off

1 the street, save a few with unprepared, or if they did
2 have prepared stuff it wasn't prepared with the help of
3 counsel or that.

4 We really wonder -- that is why we didn't
5 swear them in, to be quite free to say what they wanted
6 to say and, as I say, I have looked at some - not
7 nearly as carefully as I will tonight - but to where
8 MNR was trying to present a different position or
9 enhance their position.

10 MR. LINDGREN: No, that is not the
11 suggestion at all.

12 MR. MARTEL: To take a second kick at the
13 can, I think is what you are saying. They are not
14 going to convince the Board; are they, they are talking
15 to the public out there.

16 MR. LINDGREN: That's right, and that is
17 one of our concerns, because we were concerned that
18 some of the statements coming from the panel of
19 witnesses were, if not misrepresenting some of the
20 evidence, then certainly could mislead certain
21 individuals as to what the state of the evidence is or
22 what the position of the parties were with respect to
23 that evidence.

24 MS. MURPHY: Well, Mr. Lindgren is going
25 to have to give me an example because he's now getting

1 into --

2 MR. LINDGREN: If it's necessary to do
3 so, I will provide it.

4 MADAM CHAIR: Are you saying out of the
5 evidence that the MNR witness panel gave at the Dryden
6 hearings you will be formally addressing that specific
7 evidence in your case, that it was to such an extent
8 that you feel you have to address it directly in your
9 own case?

10 MR. LINDGREN: I think it's safe to say
11 we would have addressed it anyway, but the concern is
12 what the impression of the public is after that and our
13 concern is that these people may have been mistakingly
14 left with an understanding of the evidence that is not
15 correct, and there is no point in pursuing that until I
16 get the transcript.

17 MADAM CHAIR: And how do we know, how do
18 we know what the credibility of the MNR witnesses were
19 to that audience. Those are all questions we don't
20 have any answers to.

21 MR. LINDGREN: That is precisely the
22 issue that I am hoping to avoid by not having the MNR
23 witnesses there, because if for some reason or slip of
24 the tongue or whatever the MNR witness provides an
25 answer that is clearly incorrect or false or

1 misleading - and I am not suggesting that it has
2 occurred - but if it did, you would have a number of
3 counsel leaping to their feet no doubt and that no
4 doubt would very seriously undermine the credibility of
5 that process in the mind of the public who attended or
6 heard about it.

7 But more importantly - Mr. Martel used
8 the adjective straight jacket a few moments ago - my
9 submission to you is that if this procedure is allowed
10 to continue; that is, if the MNR is permitted to call
11 witnesses who can respond to or reply to submissions
12 and there is a potential that those answers will go
13 beyond mere information and in fact could be called
14 evidence, then I suggest that is a straight jacket,
15 that is effectively undermining the use or the ability
16 of this public submission session to allow members of
17 the public to make their views known to the Board.

18 MR. MARTEL: Surely that is why other
19 counsel are present, to make sure that doesn't occur,
20 Mr. Lindgren.

21 MR. LINDGREN: Well, I can tell you, Mr.
22 Martel, with all due candor that I did have to restrain
23 myself quite a bit. I did not object to any questions
24 though I felt they were clearly objectionable because
25 that was not the forum to do it, the forum to do it is

1 now when we are discussing these procedural issues. I
2 think that if this procedure is allowed to continue --

3 MADAM CHAIR: You weren't objecting to
4 the answers?

5 MR. LINDGREN: I would have.

6 MADAM CHAIR: You said the questions.

7 MR. LINDGREN: Well, the questions and
8 the answers, I am objecting to the whole process.

9 MADAM CHAIR: The questions from Mr.
10 Freidin?

11 MR. LINDGREN: The questions and the
12 answers. And as I indicated, the time to do that in my
13 view is not at the time that the questions and answers
14 were being posed because, again, I didn't want it to
15 degenerate into a whole procedural argument as we have
16 seen often in this hearing, that I think would not go
17 very well with the public who had attended the session.
18 The time to discuss and determine whether or not that
19 procedure should be continued is now.

20 Our position is very clear, and I will
21 just repeat it one more time for the sake of the record
22 and I will be gone and; that is: In our view, the MNR
23 should not be required or permitted to call witnesses
24 or any evidence during the public submission sessions.
25 If there is a need for informational witnesses - and I

1 am not convinced that there is a need because very few
2 questions were put to MNR witnesses - but if there is a
3 need for MNR informational witnesses, we suggest that
4 the proper and most appropriate time and place for
5 those witnesses is to attend or to be participating in
6 the open house sessions.

7 And I have nothing further to add.

8 MADAM CHAIR: Thank you, Mr. Lindgren.

9 MR. CASSIDY: Madam Chair, I would like
10 to address this matter just briefly. I'm content to be
11 heard at your convenience.

12 MS. MURPHY: Perhaps I should wait until
13 the end.

14 MR. CASSIDY: My submissions, Madam
15 Chair, will be brief.

16 In respect of Mr. Lindgren's position I
17 have reviewed his letter and the concern I share is the
18 one that you indicated, that the question is: Are we
19 doing something illegal. And I have not seen in Mr.
20 Lindgren's letter a detailed discussion of that. There
21 is reference to it on page 2 in the last full
22 paragraph, but I am not satisfied and it's not
23 satisfactory, in my submission, that that paragraph
24 provides an answer to your question.

25 If Mr. Lindgren is alleging that the

1 procedure the Board has adopted to date; i.e., the
2 Dryden hearing, is somehow illegal; that is, it offends
3 some legal principle, I should think that it might be
4 wise for the Board to hear more detail from Mr.
5 Lindgren on that, and obviously that may not be
6 possible to do tonight.

7 But, in any event, I don't think this
8 paragraph is satisfactory. It refers to the practice
9 of another tribunal which is in and of itself no
10 indicator of what this tribunal should do and,
11 therefore, if he is going to state that position, it
12 should be made clear so that other parties have the
13 opportunity to respond to that and the Board, if it
14 deems it necessary - which I would think it would be -
15 the Board some day would have to decide upon hearing
16 those submissions, would then want to consult with its
17 counsel.

18 So my submission in summary is that the
19 answer to your question is not satisfactorily answered
20 by this letter and Mr. Lindgren should deal with it by
21 way of further explanation of the legal position for
22 you to get that answer.

23 MR. LINDGREN: If I could respond to that
24 right now, Madam Chair. I am certainly prepared to do
25 that, I am prepared to expedite the process by filing a

1 further written submission detailing the legality or
2 illegality of this procedure and I am prepared to do
3 that forthwith.

4 MADAM CHAIR: That would be very helpful,
5 Mr. Lindgren. Could you do it by Friday?

6 MR. LINDGREN: That sounds very possible.
7 I will attempt to do so.

8 MADAM CHAIR: And then we could discuss
9 it again next Tuesday. We could discuss it a week --
10 this coming Tuesday, the 12th. The deadline is coming,
11 the 14th and the 20th, that is the week after next.

12 MS. MURPHY: That's right. You may
13 recall in the notice that was published for the last
14 hearing, the hearing in Dryden, the comment was made in
15 the notice so that the public would be aware that there
16 would be a panel of witnesses available.

17 MADAM CHAIR: So we will have to settle
18 this before the notice goes out.

19 MS. MURPHY: Yes. It will have to be
20 resolved but, of course, we can go ahead and draft a
21 notice and that can go in or out, depending on your
22 final decision, but we will have to keep in mind that
23 that will have to be dealt with before the notice goes
24 out. It's one of those things that you have to or you
25 should definitely advise people about in the notice,

1 what they can expect will happen at the hearing.

2 MADAM CHAIR: Well then, we will ask Mr.
3 Lindgren if he can have that submission to the Board in
4 writing by Friday.

5 MR. LINDGREN: That is correct, Madam
6 Chair. And I would also indicate that there was some
7 question as to the portion of the transcripts that I
8 was referring to, wherein there was some questionable
9 statements perhaps made, and I will include that in the
10 submission as well.

11 MADAM CHAIR: And you will be addressing
12 the legality of the entire process of using this
13 witness panel?

14 MR. LINDGREN: Yes, Madam Chair.

15 MADAM CHAIR: And the other parties will
16 put their minds to this and we will discuss it next
17 Tuesday night?

18 MR. CASSIDY: Yes. And I assume Mr.
19 Lindgren would be required to provide the other parties
20 with a copy of that submission so that we can
21 intelligently address it on Tuesday night?

22 The Board is nodding affirmatively. For
23 the purposes of the record, can I just --

24 MADAM CHAIR: Yes, Mr. Lindgren will do
25 that.

1 Ms. Murphy?

2 MS. MURPHY: Well, given that recent
3 discussion in fact I was about to make the same
4 comment. I don't know that it would assist at this
5 point for me to respond to Mr. Lindgren. Mr. Martel
6 has quite clearly set out the reasons for the Board
7 wishing to have the panel there in the first place and
8 precisely the same reasons were reiterated today as
9 were dealt with earlier.

10 I would point out that Mr. Lindgren makes
11 reference to reply and the fact that some of these
12 things could be dealt with in reply. With respect, of
13 course that does not respond to the concern that you
14 were discussing, Mr. Martel, that people perhaps want
15 an answer now; reply won't be for some time, and as a
16 practical matter I point out that to deal with these
17 matters in reply at some future date would require us
18 to call witnesses from perhaps 14 places to do that.
19 It doesn't seem a logical solution to the problem.

20 In any event, the real concern is the
21 potential that has been raised by Mr. Lindgren, that
22 there is some legal principle that is at issue here. I
23 am not certain what it might be and, again, it's really
24 that matter that we should be addressing.

25 I think we are going to have to wait and

1 see from Mr. Lindgren what principle he suggests is at
2 stake.

3 MADAM CHAIR: Are there any other
4 comments to be made about the satellite hearings?

5 Yes, Ms. Harvie?

6 MS. HARVIE: If this is going to be
7 discussed further on Tuesday night, perhaps it would be
8 more appropriate for MOE to make its submissions,
9 except I think it could be said safely now that we
10 would support any steps that would make the process
11 more accessible and more comprehensible to the public
12 and would encourage public participation.

13 MADAM CHAIR: And I take it there are no
14 other disagreements about other aspects of the
15 satellite hearings, the way they were constructed for
16 the Dryden hearing?

17 MS. HARVIE: Just that one point. If the
18 Board decides that a witness panel, there is no problem
19 with the legality of it and it's an appropriate place
20 for a witness panel to be, it might be worthwhile
21 considering when major intervenors present their case
22 to the Board at the satellite hearing whether or not
23 it's appropriate for the witness panel to be present
24 while evidence is...

25 MADAM CHAIR: We consider that to be a

1 totally different situation. We are talking about
2 individual members of the public who have fairly -- you
3 know, they don't have a lot of research behind them in
4 terms of coming with the questions they want to ask.
5 These are very much people who want to be informed and
6 may not have a good grasp of the situation at all.

7 MS. HARVIE: All right.

8 MR. MARTEL: Ms. Murphy, did you say
9 Volume 109 was the original discussion?

10 MS. MURPHY: Volume 101.

11 MR. MARTEL: Volume 101?

12 MS. MURPHY: Yes, Volume 101, May 9th was
13 the first discussion of this issue, Mr. Martel, and you
14 will find that discussion commences around page 16989.

15 There is discussion as well in Volume
16 108, June 5th, 1989 though I don't think it's very
17 lengthy. And then finally -- I can find those page
18 numbers, if you like.

19 Finally, in Volume 117, June 21st, 1989
20 there was the final discussion after circulation of the
21 letter that I have produced to you today dated June
22 21st. So those are the places you will find the
23 discussion that took place on these matters previously.

24 MR. CASSIDY: Madam Chair, I would like
25 to raise one other matter that has to be dealt with on

1 Tuesday, and that is the matter - we have discussed it
2 before but I think we have got to have some direction
3 and deal with this matter fairly soon - and that is the
4 timing for Forests for Tomorrow's evidence and
5 production of it.

6 And rather than surprise Mr. Lindgren, by
7 raising it now I think it would be appropriate, given
8 that that is a week away, for the parties to address
9 that matter at that time. You may not be able to
10 decide, but I think we are getting to the point, given
11 the pace at which I anticipate our evidence is going to
12 go in, that I think we have to decide that sooner
13 rather than later.

14 So if we could please speak to that and
15 Mr. Lindgren or Ms. Swenarchuk, whoever it is on
16 Tuesday could come prepared to discuss that matter.

17 MR. LINDGREN: We have in fact given that
18 subject considerable thought and Tuesday would be an
19 appropriate time to discuss the proposal that we have
20 in mind.

21 MADAM CHAIR: Thank you, Mr. Lindgren.

22 MR. CASSIDY: Thank you, Madam Chair.

23 Thank you, Mr. Lindgren.

24 MADAM CHAIR: I will leave it then, in
25 terms of drafting the notice, Ms. Devaul will consult

1 with Ms. Tieman in terms of what can be drafted at this
2 point, and we will have to make some decisions next
3 week in order to meet our deadlines.

4 All right. Thank you very much.

5 Oh yes, Mr. Martel and I have decided we
6 are no longer going to be tyrannized by plane
7 schedules. We are going to start at 8:30 tomorrow
8 morning and if we don't finish tomorrow morning, then
9 we will be here Thursday.

10 As well, we are not going to stampede a
11 hearing day so we can catch this flight and that
12 flight. We are going to just grind along in our
13 regular schedule.

14 Okay.

15 ---Whereupon the hearing adjourned at 6:25 p.m.,
16 to be reconvened on Wednesday, April 4th, 1990,
commencing at 8:30 a.m.

17 [copyright, 1985]
18
19
20
21
22
23
24
25



